

**HAWTHORN METROPOLITAN DISTRICT
SPECIAL MEETING**

July 19, 2022 at 11:00 a.m.

www.hawthornmetrodistrict.org

Krystal Bigley, President	Term to May 2023
Carly Fenton, Secretary	Term to May 2023
Andrea Stewart, Assistant Secretary	Term to May 2025
Brittany Lutz, Treasurer	Term to May 2025
Steve Daniels	Term to May 2023

*This meeting will be held at 17685 W. 83rd Drive, Arvada, Colorado and via teleconferencing
and can be joined through the directions below:*

Link:

<https://us06web.zoom.us/j/85425440211?pwd=bzM2dWFvU3FiSEE4Q0JSZFRJMXQzZz09>

Meeting ID: 854 2544 0211

Passcode: 139684

(720) 707-2699

NOTICE OF SPECIAL MEETING AND AGENDA

1. Call to Order/Declaration of Quorum
2. Director Conflict of Interest Disclosures
3. Approval of Agenda
4. Consent Agenda
 - a. Approval of Minutes from June 6, 2022 Special Meeting (**enclosure**)
5. Financial Matters
 - a. Approval of Special Fee Disclosure from White Bear Ankele Tanaka & Waldron (**enclosure**)
 - b. Approval of Engagement Letter of Ballard Spahr LLP as -Bond Counsel (**enclosure**)
 - c. Consider approval of a resolution authorizing Hawthorn Metropolitan District to issue general obligation indebtedness consisting of its Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan, Series 2022, in an approximate principal amount of \$9,000,000,

2022 Regular Meetings

First Monday of March, June, and December, 2022 at 2:00 p.m. at the second Monday of September at 6:00 p.m. at
17685 W. 83rd Drive, Arvada, Colorado or via teleconference if necessary
1247.0008; #1233266v2

for the purpose of refunding the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B, and Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017, and, in connection therewith, approving the forms of a Loan Agreement, a Custodial Agreement, and Escrow Agreement and other financing documents; authorizing the execution and delivery thereof and performance by the District thereunder; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof (**enclosure**)

- d. Conduct Public Hearing on 2022 Budget Amendment
 - i. Consider Adoption of Resolution Amending the 2022 Budget (**enclosure**)
- 6. Other Business
- 7. Public Comment – Members of the public may express their views to the Board on matters that affect the District on items not otherwise on the agenda. Comments will be limited to three (3) minutes per person.
- 8. Adjourn

2022 Regular Meetings

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17685 W. 83rd Drive, Arvada, Colorado or via teleconference if necessary
1247.0008; #1233266v2

MINUTES OF THE REGULAR MEETING OF THE BOARD OF
DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

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

This meeting was held via teleconference.

Attendance

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

Krystal Bigley
Carly Fenton
Andrea Stewart
Brittany Lutz
Steve Daniels

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

Call to Order

It was noted that a quorum of the Board was present and Director Bigley called the meeting to order at 2:02 p.m.

**Conflict of Interest
Disclosures**

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

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

Consent Agenda

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

- Minutes from April 4, 2022 Special Meeting

Appointment of Officers

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

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

Financial Matters**Acceptance of Unaudited Financials and Approval of Claims**

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

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

Discussion of Possible Bond Refinancing

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

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

Approval of Engagement Letter with Piper Sandler

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

Approval of Engagement
Letter with External
Financial Advisor

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

Facilities/Management Matters

Consider Ratification of
Proposal for Irrigation
Repairs from EDI

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

MSI HOA District
Management

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

Consider Prairie Dog
Removal Options

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

Consider Options for
Seeding Work

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

Consider Cell Tower Lease
Proposal

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

Review and Discuss
Manager's Violation
Summary

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

Discussion of Covenant
Violation Process and Recent
Violation Letters Sent

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

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

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

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

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

Legal Matters

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

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

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

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

Consider Engagement of
Special Counsel for
Foreclosure Actions

This matter was deferred to the next meeting.

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

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

Update on the Status of the
Bark Yard Work

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

Director Matters

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

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

Consider Letter Regarding Variance for Paint Colors

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

Other

None.

Public Comment

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

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

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

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

Other Business

None

Next Meeting

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

Adjournment

There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting at 4:51 p.m.

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

Secretary for the Meeting

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

WILLIAM P. ANKELE, JR.
JENNIFER GRUBER TANAKA
CLINT C. WALDRON
KRISTIN BOWERS TOMPKINS
ROBERT G. ROGERS
BLAIR M. DICKHONER
GEORGE M. ROWLEY



OF COUNSEL:
KRISTEN D. BEAR
K. SEAN ALLEN
TRISHA K. HARRIS
ZACHARY P. WHITE
HEATHER L. HARTUNG
MEGAN J. MURPHY

EVE M. G. VELASCO
AUDREY G. JOHNSON
CAREY S. SMITH V
ERIN K. STUTZ
JON L. WAGNER
NELSON G. DUNFORD
RUTH O. BORNE

July 19, 2022

Hawthorn Metropolitan District
2154 E. Commons Avenue
Suite 2000
Centennial, Colorado 80122

Re: Special Disclosure of Costs for Legal Services in Connection with Loans

Dear Board of Directors:

White Bear Ankele Tanaka & Waldron (“**WBA**”) currently serves as general counsel to Hawthorn Metropolitan District (the “**District**”) pursuant to an engagement letter dated November 19, 2015, that defines the scope of WBA’s engagement for general counsel legal services (the “**Engagement**”). The Engagement states that fees for our services are paid monthly based on hours of service provided and other factors set forth in the Engagement. The purpose of this letter is to confirm the terms of a special fee arrangement regarding WBA’s work in connection with the expected issuance by the District of its Series 2022 Loan, in the estimated principal aggregate amount of up to \$9,000,000 (the “**Series 2022 Loan**” and/or the “**Transaction**”). This letter is also intended to describe the roles of WBA and various other professionals expected to be involved in the Transaction. Due to the nature of this type of Transaction, fees for all professionals are usually paid at closing; however, our Engagement provides for monthly billing and payment, followed, typically, by reimbursement to the District for our fees from closing proceeds. This letter discloses a special billing arrangement for our fees to provide a measure of certainty to the District regarding the costs of the Transaction. Other than as specifically noted herein, this letter is not intended to alter any of the provisions of the Engagement.

The effort to close the Transaction may involve the work of several professionals outside the Firm including: (i) an investment banker hired to assist in structuring and raising capital for the Transaction (“**Placement Agent**”); and (ii) a bond lawyer who will be engaged by the District to assist with structuring the Transaction and issue various opinions necessary to close the Transaction, including a tax exempt opinion (“**Bond Counsel**”). Please note that it is also our recommendation that the District engage an independent municipal advisor to provide advice with respect to the Transaction, specifically including advice regarding structure, timing, financial terms, and other similar matters. These professional firms are generally referred to herein as the “**Professionals**”. Our role as general counsel will be to participate with the Professionals in

documenting the Transaction as to which we will render a general counsel opinion to various parties regarding the status of the District and other matters surrounding the Transaction.

All of the Professionals will be paid out of proceeds of the Transaction on terms set forth in their individual engagements, which means they are paid by the District. Their duties to the District will be set forth in their individual engagement agreements and will run directly to the District and not to WBA. The Placement Agent may choose to engage its own counsel whose duties will run to the Placement Agent only, but whose fees are generally paid by the District as a cost of the Transaction at closing.

In connection with these Professional engagements, it is important to understand that WBA's role in the Transaction is limited to matters specifically set forth in our legal opinion, the anticipated form of which is attached hereto (the "**Opinion**"). If the risk or structure of the Transaction changes materially from what we anticipate at this time, resulting in changes to our Opinion which may increase the scope of our services or risk, we will advise the District and it may be necessary for us to increase our fees (as set forth below) for these services.

It is also important for the District to understand, and agree, that WBA is not engaged to oversee the efforts, work product, advice or opinions of the other Professionals. We will perform the work necessary to render our Opinion and will be sufficiently involved in the Transaction to keep the Board of Directors apprised of the status of the efforts of the other Professionals. We read their work to assure our familiarity with their documents but we do not review their work for completeness or accuracy. They are engaged because their services fall outside the scope of our expertise. Accordingly, by proceeding with the Transaction, the District acknowledges that it will rely solely on such Professionals as to the advice they render to the District and the content of their written materials, and the District further acknowledges that WBA is not the guarantor of their work. Should the District have any questions or concerns regarding the work of other Professionals, those questions should be directed to us so we can make sure they are addressed by the correct party.

As compensation for WBA's services as general counsel in connection with the approval, issuance and closing of the Transaction, the District shall pay the Firm a fee of \$45,000 for the Transaction from closing proceeds. The purpose of the fee is to compensate us for our time and expertise in connection with attempting to achieve a closing of the Transaction, and for risks we incur in connection with the issuance of our Opinion. Accordingly, we will NOT include time and materials billings to the District as part of our routine monthly general counsel invoices; rather, a "**Bond Transaction Legal Services Invoice**" will be provided to the District at or near the closing of the Transaction and shall be due at the time of closing. If the anticipated structure of the Loans changes significantly, we may propose an increase in the fee if warranted by the change, and the above-proposed fee is nonbinding with respect to an issuance of the Loans in accordance with a structure varying materially from the structure described above. In addition to the above-referenced fee, there shall be due and payable on a monthly basis all out of pocket expenses incurred or paid by the Firm on behalf of the District in connection with the Transaction. Please note that if the District directs that work on the Transaction cease prior to closing, or in the event the Transaction does not close for any reason within 90 days of the date of this letter, we may opt to provide a standard invoice to you for actual time and expenses incurred, which will be due in

accordance with our standard Engagement, in lieu of the Bond Transaction Legal Services Invoice referenced above.

We appreciate the opportunity to continue to provide legal services to the District. Should you have any questions regarding this matter, please do not hesitate to call us.

Sincerely,

White Bear Ankele Tanaka + Waldron

Hawthorn Metropolitan District Acknowledgment

By: _____
Signature

Printed Name: _____

Position: _____

Date: _____

Enclosure:

Form of General Counsel Opinion

_____, 2022

District
Address
Address
Address

Addressee (1)
Address
Address
Address

Addressee (3)
Address
Address
Address

Addressee (4)
Address
Address
Address

\$ _____
_____ DISTRICT [in the City of _____]
(_____ COUNTY, COLORADO)
NAME OF ISSUANCE, SERIES _____ (the "Loan") OR (the "Bonds")

Ladies and Gentlemen:

We have acted as general counsel to the _____ District, [City/Town of _____,] _____ County, Colorado (the "**District**") in connection with the issuance by the District of the Loan/Bonds. We are not counsel for individual directors of the District [see FN1 below for language to insert for pledge agreement opinions]¹. The opinions stated herein are given in our limited capacity as legal counsel to the District for general matters. Further, neither our firm nor any of its attorneys or employees have been employed, contracted, or otherwise retained as a "municipal advisor" to the District as such term is defined in 15 U.S.C. 78o-4(e)(4), as amended by the Dodd/Frank Act (the "**Act**"), or any rules promulgated by the Securities and Exchange Commission under the Act. Any comments or advice provided by our firm regarding the issuance of securities by the District have been solely of a "traditional legal nature", as recognized under the Act.

As to questions of fact material to our opinion, we have relied specifically upon the certified proceedings of the District relating to the authorization, issuance and delivery of the Loan/Bonds and certifications or other representations of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge, it shall mean that, during the course of our representation as described above, no information has come to our attention which has given us actual knowledge contrary to the existence or absence of such facts.

We have not undertaken any independent investigation to determine the existence or absence of such facts, nor have we undertaken any such investigation with respect to facts certified by anyone, and no inference as to our knowledge of the existence or absence of such facts may be drawn from our representation of the District.

In connection herewith, we have assumed, without independent verification or investigation as to the same: (a) the genuineness and authenticity of all documents submitted to us as originals; (b) the conformity of the originals to all photocopies provided to us in connection with rendering this opinion; (c) that the signatures of persons signing all documents in connection with which this opinion is rendered are genuine and are authorized by the entity on whose behalf such persons have signed; provided, however, that no such assumptions as to genuineness and authorization are made as to signatures on behalf of the District; (d) that all parties to the documents reviewed by us have full power and authority and have obtained all consents and/or approvals necessary to execute, deliver and perform thereunder, provided however that no such assumptions are made as to the District regarding necessary consents and/or approvals in connection with execution, delivery, and performance of the Financing Documents, as defined below; and (e) that all such documents have been duly authorized by all necessary corporate officers, have been duly executed by such parties, and have been duly delivered by such parties; provided, however, that no such assumptions are made as to the District's execution and delivery of any Financing Documents.

The Loan/Bonds is/are being issued pursuant to a Resolution **INSERT FULL NAME OF RESOLUTION UNLESS INFEASIBLE DUE TO LENGTH** adopted by the Board of Directors of the District (the "**Board**") at a regular/special meeting held on _____, 20__ (the "**Authorizing Resolution**"). Capitalized words and phrases not otherwise defined herein shall have the meanings assigned in the Authorizing Resolution.

As general counsel to the District, we have reviewed the following documents:

A. The [Consolidated/Amended and Restated] Service Plan of the District, approved by the Town/City/County on _____, [as amended by a First Amendment to Service Plan, dated _____] ([collectively,] the "**Service Plan**");

B. **USE THIS PARAGRAPH IF THERE IS AN OFFERING DOCUMENT:** [Those portions of the [Preliminary Disclosure Document Name] dated _____, 202_ and the [Final Disclosure Document Name] dated _____, 202_ (collectively, the "**Disclosure Document**") titled: ["THE DISTRICT—INTRODUCTION", "THE DISTRICT" and "LEGAL MATTERS"];

C. The Authorizing Resolution;

USE THIS LANGUAGE FOR LOAN DOCUMENTS, ADDING AND DELETING REFERENCES TO DOCUMENTS, AS NECESSARY:

D. The Loan Agreement between the District and _____, dated as of _____, 20__;

E. The [insert year] Promissory Note issued pursuant to the Loan Agreement, dated as of the date of issuance;

F. The Custodial Agreement between the District, _____, as custodian, and _____, as lender, dated _____, 20__;

G. The Placement Agent Agreement between the District and _____, as placement agent, dated _____, 20__.

USE THIS LANGUAGE FOR BOND DOCUMENTS, ADDING AND DELETING REFERENCES TO DOCUMENTS, AS NECESSARY:

D. [The Indenture of Trust between the District and _____, as trustee, dated as of _____, 20__];

E. The Bond Purchase Agreement between the District and _____, dated as of _____, 20__;

F. The [insert year] Bonds, dated as of the closing date; and

G. The Continuing Disclosure Agreement, dated as of _____, 20__.

The documents described in paragraphs [C if there is an offering document; or B if there is not an offering document] through [], above, are hereafter referred to as the “**Financing Documents**.”

Based on the foregoing, and except as otherwise qualified and limited herein and expressly qualified by paragraphs 10 [11] through 13 [14], inclusive, we are of the opinion that:

1. The District is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado.

2. We have not received any notice from the State Division of Local Government (the “**Division**”) concerning the intent by the Division to certify the District dissolved pursuant to § 32-1-710, C.R.S., and the officers or directors of the District have not advised us of receipt of same. Nothing has come to our attention which would lead us to believe that there are any grounds for dissolution of the District under such statute.

3. The District is not required by law to amend the Service Plan to effectuate the execution and performance of its obligations under the Financing Documents.

4. To the best of our knowledge, based upon the oral representations and affirmations provided to us by individuals serving on the Board, and without any other independent investigation or inquiry by us, for the period from the date of adoption and approval of the Authorizing Resolution to and including the date hereof, such individuals are qualified to serve as directors and officers of the District and have been duly elected or appointed.

5. The District has taken the procedural steps necessary to adopt the Authorizing Resolution in material compliance with the procedural rules of the District and the requirements of Colorado law, and the Authorizing Resolution remains in full force and effect as the date hereof.

6. The Financing Documents have been duly authorized, executed, and delivered on behalf of the District.

7. To the best of our knowledge, [and except as otherwise set forth in the Disclosure Document,] there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Financing Documents.

8. To the best of our knowledge, the issuance, execution, and delivery of the Loan/Bonds by the District, and the execution and delivery of the Financing Documents and the performance by the District of its obligations with respect thereto, will not result in a violation of any applicable judgment, order or decree of any authority of the State of Colorado, and will not result in a breach of, or constitute a default under, any agreement or instrument to which the District is a party or by which the District is bound.

9. To the best of our knowledge, no additional or further approval, consent, or authorization of any governmental, public agency, or authority not already obtained is required by the District in connection with the issuance of the Loan/Bonds, or entering into and performing its obligations under the Financing Documents.

10. [USE THIS PARAGRAPH AS APPLICABLE: We assisted the District in the review of portions of the Disclosure Document. We have not been engaged as disclosure counsel by the District in connection with preparation of the Disclosure Document nor by any other participant involved with the issuance of the Loan/Bonds, and have not undertaken to provide counsel in regard to the contents of the Disclosure Document and/or the disclosure or nondisclosure of matters addressed therein except as set forth in the sections of the Disclosure Document entitled: "THE DISTRICT--INTRODUCTION", "THE DISTRICT", and "LEGAL MATTERS-Litigation-District General Counsel Opinion"² (together, the "Covered Sections"). We have generally reviewed the Covered Sections, but have not reviewed other sections of the Disclosure Document, whether or not such other sections are cross-referenced in the Covered Sections. In the course of these activities, and without further independent investigation, we are not aware that the Covered Sections of the Disclosure Document (except for the financial statements, projections and other financial and statistical information included in the Covered Sections, as to which we express no opinion) contained or contain (in the case of the Preliminary Limited Offering Memorandum, as of its date, and in the case of the Limited Offering

² It is critical that the firm maintain a consistent position on which sections are covered in its 10(b)(5) opinion. Specifically, the firm does not cover all Legal Matters (e.g., sovereign immunity or other general recitations of state law) or even all of Litigation (e.g., sections that deal with District or developer no-litigation certs that are quite broad), but rather the smaller subset of litigation that addresses our narrow general counsel opinion and nothing more. When the BPA is received, review as early as possible to confirm consistency with the firm's form, and, to the extent necessary, make BPA revision comments to bring the BPA's definitions of Covered Sections into conformance with the firm's form. Make sure to delete this FN from the opinion.

Memorandum, as of its date and the date hereof, respectively) any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.]]

This letter contains opinions of our firm which are, in their entirety, subject to and qualified generally as set forth therein, and are expressly qualified by the following paragraphs 10 [11] through 13 [14]:

10. [11]. The obligations of the District with respect to the Loan/Bonds, Financing Documents, and other documents and agreements referred to or contained therein or herein may all be affected in the future by:

(a) Provisions of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally;

(b) Compliance or non-compliance by the directors of the District with laws contained in § 18-8-308, C.R.S., and under §§24-18-101, *et seq.*, C.R.S., regarding disclosure of potential conflicts of interest; provided, however, that we have advised the directors of the requirements of such laws and we are aware that each of the directors of the District have filed potential conflict of interest disclosure forms, if applicable, in connection with the transactions and agreements contemplated herein;

(c) Rights to indemnification and contribution which may be limited by applicable law and equitable principles;

(d) The unenforceability under certain circumstances of provisions imposing penalties, forfeiture, late payment charges or an increase in interest rate upon delinquency in payment or the occurrence of an event of default;

(e) General principles of equity now or hereafter in effect, including, without limitation, concepts of mutuality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(f) The exercise by the United States of America of the powers delegated to it by the federal constitution;

(g) The reasonable and necessary exercise in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose; and

(h) The exercise of judicial discretion and interpretation.

11. [12]. We do not practice law in the areas of federal or state income taxation. Accordingly, we express no opinion as to the federal or state tax consequences associated with the

issuance of the Loan/Bonds or with regard to execution and delivery of any of the Financing Documents.

12. [13]. The opinions expressed herein are based solely upon Colorado and applicable federal law as of the date hereof. In providing this opinion, we expressly rely on §1-1-105.5, C.R.S. and §32-1-808, C.R.S.

13. [14]. We express no opinion as to: (a) the financial ability of the District to perform its obligations under the Financing Documents; (b) the validity or enforceability of the Loan/Bonds or the Financing Documents; (c) the accuracy of any TABOR allocation made in connection with the issuance; or (d) the financial condition of the District or the sufficiency of the security provided for payment of the debt service on the Loan/Bonds.

Our only client in the transaction to which this opinion relates is the District. None of the other addressees to this letter have been or are currently clients of our firm. The inclusion of the additional addressees to this opinion shall not establish an attorney-client relationship between such addressee and our firm.

This letter and the opinions expressed herein are limited to the use of the addressees as set forth above, and may not be relied upon by other parties, and may be relied upon only as stated herein. The opinions set forth herein supersede any and all previous understandings, representations, statements, opinions, etc., provided by our firm, whether oral or written, and whether such previous understandings, representations, statements, or opinions were made to the addressees herein, or otherwise, in relation to the Loan/Bonds. We express no opinion as to matters not specifically set forth herein and no opinion may be inferred or implied beyond the matters expressly stated in this letter, subject to all assumptions, limitations, exceptions and qualifications contained herein. Further, the opinions expressed herein are based only on the laws in effect and the facts in existence as of the date hereof and in all respects are subject to and may be limited by future legislation, developing case law, and any change in facts occurring after the date of this letter. We expressly undertake no responsibility or duty to inform any party, whether addressees hereof or not, as to any change in fact, circumstance or law occurring after the date hereof which may affect or alter any of the opinions, statements or information set forth above. This letter and the opinions expressed herein may not be quoted, reproduced, circulated or referred to in whole or in part without our express written consent except in the transcript of proceedings prepared in connection with issuance of the Loan/Bonds.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

1225 17th Street, Suite 2300
Denver, CO 80202-5596
TEL 303.292.2400
FAX 303.296.3956
www.ballardspahr.com

July 13, 2022

Board of Directors
Hawthorn Metropolitan District No. 2
c/o Trisha Harris
White Bear Ankele Tanaka & Waldron P.C.
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Dear Ms. Harris:

We are pleased that Hawthorn Metropolitan District No. 2 (to be consolidated into Hawthorn Metropolitan District) (the “**District**”) has engaged Ballard Spahr LLP as bond counsel in connection with the issuance of its Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan, Series 2022, in the presently estimated principal amount of \$9,000,000 (the “**Loan**”) to refund the District’s outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2017A, originally issued in the aggregate principal amount of \$6,210,000, its Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B, originally issued in the aggregate principal amount of \$820,000, and its Junior Lien Limited Tax General Obligation Bonds, Series 2017C, originally issued in the aggregate principal amount of \$928,000 (collectively, the “**2017 Bonds**”).

This transmittal letter, together with the attached Terms of Engagement, is intended to formalize our retention. It sets forth the scope of our engagement, outlines how we propose to staff the work for the District, describes the billing arrangements, discusses certain of our confidentiality obligations, and addresses certain conflict of interest understandings.

If this correctly reflects your understanding, please sign, date and return to me the enclosed copy of this letter. We value our representation of the District and are grateful that the District will look to us for legal representation.

Very truly yours,

/s/ Kimberly Casey Reed
Partner

AGREED AND APPROVED

HAWTHORN METROPOLITAN DISTRICT NO. 2

By: _____

Name: _____

Title: _____

Date: _____

TERMS OF REPRESENTATION

The following terms together with the accompanying letter of engagement dated July 13, 2022 (the “**Transmittal Letter**”) constitute the terms of the engagement of Ballard Spahr LLP (“**Ballard Spahr**”) as the District’s bond counsel with respect to the proposed Loan:

1. **CLIENT.** It is understood that Ballard Spahr’s client for purposes of this representation is limited to the District and does not include others.

2. **SCOPE OF REPRESENTATION.** It is currently contemplated that Zions Bancorporation, N.A. d/b/a/ Vectra Bank Colorado (the “**Lender**”) will enter into a Loan Agreement with the District to make the Loan pursuant to the terms and conditions of the Loan Agreement. It is further contemplated that the Loan will be secured by limited ad valorem property taxes of the District, subject to adjustment and conversion to an unlimited mill levy as permitted by the District’s Service Plan. The Loan will be structured as a fixed-rate obligation and is expected to have a December 1, 2052 maturity date; provided, however, that the interest rate on the Loan will reset on December 1, 2042. A portion of proceeds of the loan will be placed into an escrow held under an escrow agreement and will be used to pay the 2017 Bonds when redeemed in December 2022. The Loan will initially bear interest at a taxable rate and will convert to a tax-exempt rate on or about September 16, 2022 upon meeting the requirements set forth in the Loan Agreement. The interest rate on the Loan will be subject to increase in the event that the Loan is not paid in full by maturity, and in the event of a material default.

As bond counsel we will advise the District in connection with the structuring of the Loan and will prepare the basic bond documents. In that role, we will (i) prepare the Loan Agreement, Custodial Agreement and Escrow Agreement; (ii) prepare a resolution of the District authorizing the Loan and other documents, including the escrow agreement; (iii) prepare and/or review, as applicable, such other documents and agreements as may be required in connection with the Loan or which we deem necessary for rendering our opinion, (iv) negotiate opinions of the District’s counsel and other necessary opinions required to be delivered in connection with the issuance of the Loan; (v) prepare a tax certificate and a tax-exempt opinion for the Loan, in connection with the conversion of the Loan from taxable to tax-exempt; and (vi) prepare the forms of such closing documents, certificates and opinions of counsel as may be required by the terms of the financing, the District’s service plan and applicable federal and state laws.

As you know, bond counsel’s primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds and the status of any exemption provided to interest thereon under federal tax law. Subject to the completion of due-diligence and other proceedings to our satisfaction, on the date of execution and delivery of the Loan Agreement and the issuance of the Loan, we will render our opinion in customary form to the District addressing whether the Loan have been duly authorized, executed and delivered. Further, subject to the completion of tax due-diligence and other proceedings to our satisfaction, on the date when the District meets the requirements of the Loan Agreement relating to the conversion of interest rate on the Loan from taxable to tax-exempt, if requested by the District, we will render our opinion in customary form to the District addressing the extent to which the interest on the Loan is excluded from gross income for purposes of federal income tax (the “**Tax-Exempt Opinion**”). These

opinions will be executed and delivered by us in written form and will be based on facts, expectations and law existing as of the respective dates of the opinions.

We assume no obligation to review the financial condition of the District, the Lender or any other participant or the adequacy of the security provided to the Lender, and we will express no opinion relating thereto. However, we reserve the right to request such information as we consider necessary to inform ourselves of all aspects of the financing. As bond counsel we would also not assume responsibility for the accuracy, completeness or fairness of statements contained in any offering materials, other than any statements regarding validity of the Loan, tax exemption or other issues that we expressly address in an opinion. While we may suggest alternative provisions for the documents to comply with legal requirements and accommodate the interests of the parties, we neither represent nor advocate the interests of any party to the transaction other than the District, and we expect that the Lender, Piper Sandler & Co., as the placement agent for the Loan, and other parties will retain such other counsel as they deem necessary and appropriate to represent their interests.

3. **STAFFING.** Customarily, each client of Ballard Spahr is served by a Relationship Partner (a principal lawyer contact) and one or more Matter Billing Lawyers (a lawyer designated to oversee an individual matter that Ballard Spahr handles on your behalf). It is expected that Kim Reed will be the Relationship Partner and will be Matter Billing Lawyer for our work as bond counsel to the District. The work or parts of it may be performed by other lawyers and legal assistants at Ballard Spahr. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. For example, the work on the bond counsel matters will be performed by Kim Reed, with the assistance of an associate, and the work on federal tax matters will be performed by Marybeth Orsini.

4. **FEES AND EXPENSES.** Our fee to act as bond counsel to the District in connection with the issuance of the Loan will be \$60,000. This fee is based on the structure, size and complexity of the financing transaction, and our estimate of the amount and nature of legal work necessary to accomplish a closing of the Loan on or before August 15, 2022. This fee includes routine out of pocket disbursements (such as photocopying charges, delivery expenses, fax charges and postage shown in the attached Disbursement Pricing schedule) as well as certain filing fees. Any extraordinary disbursements or expenses authorized by the District will be billed to the District. The foregoing fee is inclusive of our services to be performed in connection with the rendering of the Tax-Exempt Opinion, which is expected to be delivered in September 2022. Our fee and costs for bond counsel services will be paid on the closing date for the Loan.

5. **RETENTION AND DISPOSITION OF DOCUMENTS.** Following the termination of our representation, any otherwise nonpublic information the District has supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, the District's papers and property will be returned to the District promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by Ballard Spahr. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda,

and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

6. **REGARDING FEDERAL TAX ADVICE.** In the course of our representation, we may render tax advice to the District on various legal matters. The District understands that they may not use such tax advice to avoid any penalties that may be imposed by the Internal Revenue Service unless, in accordance with the Internal Revenue Service rules of practice, we are specifically engaged to provide a formal, written tax opinion for that purpose. Accordingly, the District acknowledges that we may legend any written tax advice that we provide in the course of this engagement to indicate that it may not be relied on for purposes of penalty protection. The District further understands that our representation does not include the provision of any tax advice concerning transactions in which you may participate that would be “reportable transactions” within the meaning of Section 6707A of the Internal Revenue Code of 1986, as amended, and that our provision of tax advice concerning such transactions would require a separate engagement for that purpose.

7. **CONFLICTS OF INTEREST.** Ballard Spahr represents many other companies and individuals. It is possible that present or future clients of Ballard Spahr will have disputes or transactions with the District. For example, from time to time we represent investment banking firms with whom the District may have a relationship, such as Piper Sandler & Co., that may be viewed as competing with the District’s projects, but are not related to the District’s project, and we would expect to continue with these representations. Accordingly, to prevent any future misunderstanding and to preserve Ballard Spahr’s ability to represent the District and its other clients, the District and we agree as follows with respect to certain conflicts of interest issues:

(a) Unless we have the District’s specific agreement that we may do so we will not represent another client in a matter which is substantially related to a matter in which we represent the District and in which the other client is adverse to the District. We understand the term “matter” to refer to transactions, negotiations, proceedings or other representations involving specific parties.

(b) In the absence of a conflict as described in subparagraph (a) above, the District acknowledges that we will be free to represent any other client either generally or in any matter in which the District may have an interest.

(c) The effect of subparagraph (b) above is that we may represent another client on any issue or matter in which the District might have an interest, including, but not limited to:

(i) Agreements; licenses; mergers and acquisitions; joint ventures; loans and financings; securities offerings; bankruptcy, receivership or insolvency (including, without limitation, representation of a debtor, secured creditor, unsecured creditor, potential or actual acquirer, contract party or other party-in-interest in a case under the federal bankruptcy code or state insolvency laws or in a non-judicial debt restructuring, in which you are a debtor, creditor, contract party, potential or actual acquirer or other party-in-interest); patents, copyrights,

trademarks, trade secrets or other intellectual property; real estate; government contracts; the protection of rights; representation before regulatory authorities as to these matters and others;

(ii) Representation of the debtor or other party in a Chapter 11 case under the Federal Bankruptcy Code in which you are a creditor, debtor or otherwise have an interest in the case;

(iii) Representation and advocacy with respect to legislative issues, policy issues, or regulatory issues, including rulemakings, administrative proceedings and enforcement proceedings; and

(iv) Litigation matters brought by or against you as long as such matters are not the same as or substantially related to matters in which we are, or have been, representing you.

We agree, however, that the District's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the District, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. The District should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent the District.

8. **APPLICATION OF THESE TERMS.** The Transmittal Letter, this statement of general terms of representation, and the accompanying schedule of other charges will govern our relationship with you upon our retention even if you do not sign and return a copy of the Transmittal Letter. In the event that we agree to undertake additional matters, any such additional representations will be governed by the terms and conditions of this agreement unless we mutually agree otherwise in writing. Our representation will be deemed concluded at the time that we have rendered our final bill for services on this matter. If you disagree with any of these terms and conditions, please advise us immediately by return correspondence so that we can resolve any differences as early as possible and proceed with a clear, complete, and consistent understanding of our relationship. This letter agreement supersedes any prior agreement with you with respect to our engagement to provide professional services to you. The terms and conditions of this letter may be modified or amended only by written agreement signed by an authorized representatives of the District and Ballard Spahr, and no party may bind another party by unilateral submission of additional or different terms and conditions absent written consent to such terms and conditions by the other parties.

Ballard Spahr LLP

2022

Disbursement Pricing

Disbursement	Cost
Ballard Spahr Messenger	No Charge
Binding	No Charge
Cab Fares/Ride Share Services	Actual Cost
Courier Service	Actual Cost
Data Hosting	\$5 p/gb per month
Data Processing	\$200 p/gb
Document Production	No Charge
Duplicating	\$0.10 per page
Duplicating (Color)	\$0.45 per page
Outside Duplicating	Invoice Cost
Fax (Outgoing Only)	No Charge
Lexis and Westlaw	Actual (discounted) Cost
Library Research Services	Published Standard Cost
Long Distance Telephone	No Charge
Overtime	No Charge
Postage	No Charge (Standard USPS First Class under \$25) Actual Cost (Standard USPS First Class over \$25, Certified, Registered, Insurance, USPS Priority and Overnight Express)
State Department Services	No Charge
Telephone (Credit Card Calls)	No Charge
Travel	Actual Cost

STATE OF COLORADO)
)
JEFFERSON COUNTY) ss
)
HAWTHORN)
METROPOLITAN DISTRICT)

I, the Secretary or Assistant Secretary of Hawthorn Metropolitan District, in Jefferson County, Colorado (the “**District**”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “**Resolution**”) adopted by the Board of Directors (the “**Board**”) of the District at a special meeting held on Tuesday, July 19, 2022, at 11:00 A.M, at 17685 W. 83rd Drive, Arvada, Colorado, and via teleconference as follows:

<https://us06web.zoom.us/j/85425440211?pwd=bzM2dWFvU3FiSEE4Q0JSZFRJMXQzZz09>

Meeting ID: 854 2544 0211

Passcode: 139684

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a telephone conference, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	Yes	No	Absent	Abstain
Krystal Bigley	_____	_____	_____	_____
Carly Fenton	_____	_____	_____	_____
Andrea Stewart	_____	_____	_____	_____
Brittany Lutz	_____	_____	_____	_____
Steve Daniels	_____	_____	_____	_____

5. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 19th day of July, 2022.

[SEAL]

By _____
Secretary or Assistant Secretary

(Attach copy of notice of meeting, as posted)

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY HAWTHORN METROPOLITAN DISTRICT, IN JEFFERSON COUNTY, COLORADO, OF ITS TAXABLE (CONVERTIBLE TO TAX-EXEMPT) LIMITED TAX GENERAL OBLIGATION REFUNDING LOAN, SERIES 2022, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING INDEBTEDNESS OF THE DISTRICT AND FUNDING THE COSTS OF ISSUANCE OF THE LOAN; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT; AND APPROVING OTHER DOCUMENTS RELATING TO THE LOAN.

WHEREAS, Hawthorn Metropolitan District, in Jefferson County, Colorado (the “**District**”) is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized as “Hawthorn Metropolitan District No. 2” by an Order and Decree of the District Court for Jefferson County, Colorado issued on December 5, 2012, recorded in the real property records of Jefferson County, Colorado on December 5, 2012, and January 15, 2013; and

WHEREAS, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements as well as covenant enforcement and security services, in accordance with Service Plan for the District approved by the Board of County Commissioners of Jefferson County, Colorado (the “**County**”) on September 25, 2012 (as may be further amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, the name of the District was changed to “Hawthorn Metropolitan District” by Order of the District Court for Jefferson County, Colorado issued on July 8, 2022, recorded in the real property records of the County on July 11, 2022; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, November 6, 2012 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, including an authorization of \$30,000,000 in principal amount of indebtedness for refunding purposes, the questions relating thereto being as set forth on Exhibit B to the Loan Agreement (as defined herein); and

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the

governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S. within forty-five days after the election or not later than thirty days before issuing any general obligation debt; and

WHEREAS, for the purpose of funding costs of the Facilities, the District has previously entered into an Infrastructure Acquisition and Reimbursement Agreement dated December 7, 2015 (the “**Reimbursement Agreement**”) with Hawthorn Development, Inc., a Colorado corporation (the “**Developer**”), pursuant to which the Developer has previously constructed (or caused to be constructed), and advanced moneys to the District to construct, a portion of the Facilities, and which agreement was subsequently terminated in 2017 with no amounts outstanding thereunder; and

WHEREAS, for the purposes of funding or reimbursing costs of the Facilities (including amounts payable to the Developer in accordance with the Reimbursement Agreement) and refunding prior obligations of the District issued to fund or reimburse such costs, the District has previously issued its: (i) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, originally issued in the aggregate principal amount of \$6,210,000 and presently outstanding in the aggregate principal amount of \$[5,950,000] (the “**Series 2017A Senior Bonds**”), (ii) its Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B, originally issued and presently outstanding in the aggregate principal amount of \$820,000 (the “**Series 2017B Subordinate Bonds**”), and (iii) its Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C, originally issued and presently outstanding in the aggregate principal amount of \$928,000 (the “**Series 2017C Junior Lien Bonds**”) and, collectively with the Series 2017A Senior Bonds and the 2017B Subordinate Bonds, the “**Refunded Bonds**”); and

WHEREAS, the Series 2017A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust (Senior) dated as of December 1, 2017 (the “**2017A Indenture**”), between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), the Series 2017B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of December 1, 2017 (the “**2017B Indenture**”), between the District and the Trustee, and the Series 2017C Junior Lien Bonds were issued pursuant to and are secured by an Indenture of Trust (Junior Lien) dated as of December 1, 2017 (the “**2017C Indenture**”), between the District and the Trustee; and

WHEREAS, in accordance with the 2017A Indenture, the Series 2017A Senior Bonds bear interest at rates of 4.50% and 5.00% per annum, are subject to redemption at the option of the District commencing on December 1, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017B Indenture, the Series 2017B Subordinate Bonds bear interest at a rate of 7.25% per annum, are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017C Indenture, the Series 2017C Junior Lien Bonds bear interest at a rate of 10.0% per annum, are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the Board of Directors of the District (the “**Board**”) hereby determines that by entering into and completing a refunding program with respect to all of the Refunded Bonds, the Board can reduce interest costs and effect other economies through such reduction in interest costs and permitting the District to lower its annual debt service mill levy; and

WHEREAS, the Board hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Refunded Bonds be refunded by the incurrence of indebtedness in the form of a loan; and

WHEREAS, for the purposes of reducing interest costs of the Refunded Bonds, the Board hereby determines to incur indebtedness in the form of a Loan Agreement (the “**Loan Agreement**”) with Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, a national banking association, Denver, Colorado (the “**Lender**”), pursuant to which the Lender will make available to the District a Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan, Series 2022 (the “**Loan**”) in the aggregate principal amount of up to \$[_____], the net proceeds of which loan are to be applied to the refunding of all of the outstanding Refunded Bonds; and

WHEREAS, the District’s repayment obligations under the Loan Agreement with respect to the Loan are to be further evidenced by a promissory note to be executed by the District in favor of the Lender (the “**Note**”); and

WHEREAS, the Loan and the Note are to be payable from and secured by the Pledged Revenue (as defined in the Loan Agreement); and

WHEREAS, due to federal tax law restrictions regarding advance refundings by political subdivisions of tax-exempt bonds, the Refunded Bonds may not be refunded on a tax-exempt basis in advance of 90 days prior to the optional redemption date of the Refunded Bonds, which optional redemption date is December 1, 2022 for the Series 2017A Senior Bonds and December 15, 2022 for the Series 2017B Subordinate Bonds and Series 2017C Junior Lien Bonds, respectively;

WHEREAS, accordingly, the Note shall bear interest at a taxable rate as set forth in the Loan Agreement until the Tax-Exempt Reissuance Date (as defined in the Loan Agreement), and from and after such date the Note shall bear interest at a tax-exempt rate, subject to the applicability of the Default Rate or, after the Tax-Exempt Reissuance Date, upon the occurrence of Determination of Taxability, the Taxable Rate (each as defined in the Loan Agreement), all as further described in the Loan Agreement; and

WHEREAS, in accordance with the Service Plan and the Act, the Board has previously determined and hereby determines that the Facilities proposed to be financed or refinanced with proceeds of the Loan, and the Facilities previously financed or refinanced with proceeds of the

Refunded Bonds, are in the nature of community improvements intended for the general direct and indirect benefit of the planned residential community within the District and will serve the future taxpayers and inhabitants of the District and, accordingly, it is necessary and appropriate to finance, refinance and reimburse the costs of such Facilities; and

WHEREAS, the principal amount of the Loan shall be allocated to the District's electoral authorization, to the extent required, as more particularly described in the Loan Agreement; and

WHEREAS, the Loan shall be incurred pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Loan; and

WHEREAS, the Loan shall be a limited tax general obligation of the District and shall be payable solely from and secured by the Pledged Revenue (as defined in the Loan Agreement); and

WHEREAS, the Lender is a financial institution or institutional investor within the meaning of §32-1-103, C.R.S., and the debt represented by the Loan is permitted pursuant to §32-1-1101 (6)(a)(IV), C.R.S.; and

WHEREAS, the incurrence of the Loan and the issuance of the Note shall not involve a public offering, and shall be made exclusively to the Lender as an "accredited investor", as that term is defined under sections 3(b) and (4)(2) of the federal "Securities Act of 1933" by regulation adopted thereunder by the United States Securities and Exchange Commission, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, for the purpose of refunding the Refunded Bonds, the District proposes to enter into a Refunding Escrow Agreement between the District and UMB Bank, n.a., as escrow agent (the "**Escrow Agreement**"); and

WHEREAS, the Board has received a proposal from Piper Sandler & Co. to act as placement agent (the "**Placement Agent**") with respect to the Loan pursuant to the terms of a Placement Agent Agreement (the "**Placement Agent Agreement**") by and between the District and the Placement Agent, which Placement Agent Agreement was approved by the Board prior to this meeting; and

WHEREAS, the Pledged Revenue is to be applied, and funds and account securing the Loan are to be held, invested and disbursed, in accordance with a Custodial Agreement (the "**Custodial Agreement**"), between the District and Zions Bancorporation, National Association (the "**Custodian**"); and

WHEREAS, after consideration, the Board has determined that the refunding of the Refunded Bonds, the incurrence of the Loan upon the terms and conditions presented to the Board and to be set forth in the Loan Agreement (a final form of which will be approved by the Sale Delegate (identified herein) subject to the limitations of the authority delegated to the Sale

Delegate set forth herein), is in the best interests of the District and the residents and taxpayers thereof; and

WHEREAS, there has been presented at or prior to this meeting of the Board substantially final forms of the following (all as defined herein): the Loan Agreement, the Custodial Agreement, the Escrow Agreement and the Placement Agent Agreement; and

WHEREAS, the Board desires to authorize the execution and delivery of the Loan Agreement and the Note; delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S. to make certain determinations regarding the Loan Agreement and the Note; authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, the Loan Agreement, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and engage the Placement Agent pursuant to the Placement Agent Agreement; and

WHEREAS, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the Sale Delegate identified herein to determine certain provisions of the Loan to be set forth in the Loan Agreement in accordance with the provisions of this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors of the Board were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the incurrence of the Loan in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HAWTHORN METROPOLITAN DISTRICT, IN JEFFERSON COUNTY, COLORADO:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto, the Loan Agreement, and the following capitalized terms shall have the respective meanings set forth below:

“Act” means the “Special District Act,” being Title 32, Article 1, C.R.S.

“Bond Counsel” means Ballard Spahr LLP.

“Code” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Loan.

“Election” means the election held within the District on November 6, 2012.

“*Escrow Agreement*” means the Refunding Escrow Agreement between the District and UMB Bank, n.a., as escrow agent.

“*Facilities*” means public facilities the debt for which was approved at the Election, including, without limitation, necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the Loan Agreement, the Tax Compliance Certificate, the Escrow Agreement, the Custodial Agreement and the Placement Agent Agreement.

“*Lender*” means Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, a national banking association, Denver, Colorado, in its capacity as lender of the Loan.

“*Loan*” means the Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan, Series 2022 made by the Lender to the District in accordance with the Loan Agreement.

“*Loan Agreement*” means the Loan Agreement to be dated as of the date of incurrence of the Loan, by and between the District and the Lender.

“*Note*” means the promissory note executed by the District in favor of the Lender to evidence its repayment obligations under the Loan Agreement with respect to the Loan.

“*Placement Agent*” means Piper Sandler & Co., Denver, Colorado, as placement agent for the Loan.

“*Placement Agent Agreement*” means the Placement Agent Agreement, between the District and Piper Sandler & Co., as placement agent.

“*Post-Issuance Tax Compliance Policy*” means the Post-Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Compliance Certificate, previously adopted in connection with the Refunded Bonds.

“*Resolution*” means this Resolution which authorizes the incurrence of the Loan.

“*Sale Delegate*” means the [President] of the Board.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Compliance Certificate*” means the Tax Compliance Certificate of the District in a form approved by Bond Counsel governing issues relating to the Loan under the Code to be signed in connection with the Tax-Exempt Reissuance Date.

Section 2. Approval and Authorization of Financing Documents. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this

Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President or Treasurer of the District and a Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the District thereto, and the President or Treasurer of the District, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Loan Agreement and the Note, and to accomplish the refunding of the Refunded Bonds, including to authorize the payment of net proceeds of the Loan for costs of issuance of the Loan, in addition to the other uses contemplated by the Loan Agreement. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed; without limiting the foregoing, all documents executed or provided by or on behalf of the District in connection with setting the interest rates of the Loan as provided herein are hereby ratified. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Loan and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President or Treasurer of the District, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the incurrence, issuance, sale, delivery or administration of the Loan not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization and Purpose of and Security for Loan Agreement and Note. In accordance with the Constitution of the State of Colorado; the Act (including, specifically, Part 13 thereof); the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be executed and delivered the Loan Agreement, and there shall be issued the Note, for the purpose of refunding the Refunded Bonds and paying the costs of issuance relating to the Loan, all as further provided in the Loan Agreement. The obligations of the District under the Loan Agreement and the Note shall constitute limited tax general obligations of the District as provided in the Loan Agreement, secured by the Pledged Revenue, as further provided in and limited by the Loan Agreement.

Section 4. Loan Details. The aggregate principal amount of the District's obligations under the Loan Agreement with respect to the Loan and the Note shall be as set forth therein, but shall not exceed \$[_____]. The Loan shall bear interest initially at a taxable fixed interest rate set forth in the Loan Agreement and the Note until the Tax-Exempt Reissuance Date (or until final maturity, if the Tax-Exempt Reissuance Date does not occur), and, commencing with the Tax-Exempt Reissuance Date until final maturity, at a tax exempt fixed interest rate per annum set forth in the Loan Agreement and the Note (which rates shall be subject to the limitations of delegated authority set forth herein), subject to the applicability of the Default Rate and, after the Tax-Exempt Reissuance Date, upon a Determination of Taxability, at the Taxable Rate (set forth in the Loan Agreement and the Note), all in accordance with the Loan Agreement. The Loan and the Note shall mature, be payable, be subject to optional prepayment prior to maturity, and shall have such other terms as are set forth in, the Loan Agreement and the Note.

Section 5. Delegation and Parameters.

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Loan Agreement: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Loan Agreement, and are not inconsistent with the Act, the Supplemental Act, or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to prepare and execute the Loan Agreement, in accordance with such determinations. Upon the execution of the Loan Agreement, the matters described in (i) and (ii) above and set forth in the Loan Agreement, shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Loan Agreement shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

(i) the terms on which and the prices at which the Loan may be prepaid prior to maturity;

(ii) the principal amount of the Loan;

(iii) the amount of principal maturing in any particular year;

(iv) the fixed interest rate to be borne by the Loan prior to the Tax Exempt Reissuance Date (subject to applicability of the Default Rate determined in accordance with the Loan Agreement); and

(v) the fixed interest rate to be borne by the Loan upon the occurrence (if at all) of the Tax Exempt Reissuance Date, (subject to the applicability of the Default Rate determined in accordance with the Loan Agreement and, upon a Determination of Taxability, the Taxable Rate);

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Loan Agreement after the date that is 180 days after the date of adoption of this Resolution and in no event may the Loan be delivered after such date, absent further authorization by the Board;

(ii) the final maturity date of the Loan shall be not later than December 1, 2052; and

(iii) the fixed interest rates to be borne by the Loan (subject to the applicability of the Default Rate) and described in clauses (b)(iv) and (b)(v) above, shall not exceed [_____] % per annum; and

(iv) the principal amount of the Loan shall not exceed \$[_____].

Section 6. Redemption of the Refunded Bonds. The Board hereby finds, determines and declares its intent to redeem the Refunded Bonds on the earliest practicable date, subject to the availability of funding therefor, and that, in accordance with Title 32, Article 1, Part 13, C.R.S., the Loan is incurred for the purpose of reducing interest costs or effecting other economies. Proceeds of the Loan shall be transferred to the Escrow Fund established under the Escrow Agreement. Such moneys shall be held pursuant to the terms of the Escrow Agreement solely for the benefit of the holders of the Refunded Bonds. The officers of the District are hereby authorized to take such actions as are necessary to effect the redemption and payment in full of the Refunded Bonds in accordance with the provisions of the Refunded Bonds Indentures, including but not limited to the provision of instructions to the Trustee or paying agent therefor to call such Refunded Bonds for redemption. Any actions previously taken by officers of the Board in furtherance of refunding the Refunded Bonds are hereby ratified and approved.

Section 7. Permitted Amendments to Resolution. Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Loan Agreement, as provided in the Loan Agreement.

Section 8. Disposition and Investment of Proceeds; Tax Covenants.

(a) The proceeds of the Loan shall be used for the purposes aforesaid. All or any portion of the proceeds of the Loan may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Loan Agreement) but only in compliance with the terms of the Tax Certificate; provided, however, that the District shall be obligated to comply with the Tax Certificate with respect to the Loan only on and after the Tax-Exempt Reissuance Date. It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the proceeds of the Loan, or of any moneys treated as proceeds of the Loan within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take

any action, which would cause the Loan to be an “arbitrage bond” within the meaning of Section 148 of the Code, or would adversely affect the exclusion from gross income of the interest on the Loan under Section 103 of the Code and applicable regulations, rulings, and decisions; provided, however, that the District shall be obligated to comply with the foregoing with respect to the Loan only on and after the Tax-Exempt Reissuance Date.

(b) The District will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid on the Loan shall not be includible in gross income for federal income tax purposes under the Code or any other valid provision of law; provided, however, that the District shall be obligated to comply with the foregoing with respect to the Loan only on and after the Tax-Exempt Reissuance Date. In particular, but without limitation, the District represents, warrants and covenants to comply with the following rules unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Loan will not be used in a manner that will cause the Loan to be considered a “private activity bond” within the meaning of the Code; (ii) the Loan is not and will not become directly or indirectly “federally guaranteed”; and (iii) the District will timely file Internal Revenue Form 8038-G which shall contain the information required to be filed pursuant to Section 149(e) of the Code; provided, however, that the District shall be obligated to comply with the foregoing with respect to the Loan only on and after the Tax-Exempt Reissuance Date.

(c) The District hereby designates the Loan and the Note as qualified tax-exempt obligations on and after the Tax-Exempt Reissuance Date within the meaning of Section 265(b)(3) of the Code. The District covenants that the aggregate original issue amount of all tax-exempt obligations issued by the District, together with governmental entities which derive their issuing authority from the District or are subject to substantial control by the District, shall not be more than \$10,000,000 during calendar year 2022. The District recognizes that such tax-exempt obligations include notes, leases, loans and warrants, as well as bonds. The District further recognizes that any bank, thrift institution, or other financial institution that owns the Loan and the Note will rely on the District’s designation of the Loan and the Note as qualified tax-exempt obligations for the purpose of avoiding the loss of eighty percent (80%) of any otherwise available interest deduction attributable to such institution’s tax-exempt holdings.

(d) The District will comply with the Tax Compliance Certificate, including but not limited by the provisions thereof regarding the application and investment of proceeds of the Loan, the calculations, the deposits, the disbursements, the investments and the retention of records described therein; provided, however, that the District shall be obligated to comply with the Tax Compliance Certificate with respect to the Loan only on and after the Tax-Exempt Reissuance Date.

Section 9. Costs and Expenses. All costs and expenses incurred in connection with the execution and delivery of the Loan Agreement, the issuance of the Note, the refunding of the Refunded Bonds shall be paid either from the proceeds of the Loan or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 10. Post-Issuance Tax Compliance Policies. The Board hereby re-affirms the Post Issuance Tax Compliance Policy adopted by the Board on December 14, 2017.

Section 11. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Loan, as provided herein and in the Loan Agreement, shall be governed by Section 11-57-208, C.R.S., this Resolution, the Loan Agreement and the Note, as applicable. The revenues pledged for the payment of the Loan, as received by or otherwise credited to the District or the Lender, as applicable, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Loan Agreement, shall have priority over any or all other obligations and liabilities of the District. The lien of such pledges shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 12. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prepayment penalties on the Loan and the Note. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Loan Agreement and the Note, the Lender specifically waives any such recourse.

Section 13. Conclusive Recital. Pursuant to Section 11-57-210, C.R.S., the Loan Agreement and the Note shall contain a recital that the Loan Agreement is entered into and the Note are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the execution and delivery of the Loan Agreement and the issuance of the Note after their delivery for value.

Section 14. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the execution and delivery of the Loan Agreement and the authorization or issuance of the Note shall be commenced more than thirty days after the authorization of such securities pursuant to this Resolution.

Section 15. Ratification and Approval of Prior Actions. All actions heretofore taken by the consultants to or officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, execution and delivery of the Note and other Financing Documents, or the execution of any documents in connection therewith, are hereby ratified, approved, and confirmed.

Section 16. Resolution Irrepealable. After the execution and delivery of the Loan Agreement, this Resolution shall constitute a contract between the Lender and the District and shall be and remain irrepealable until the District's obligations under the Loan Agreement shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement.

Section 17. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 18. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 19. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 20. Electronic Execution and Seal. The President, the Treasurer of the District, or a Secretary or Assistant Secretary of the District or other appropriate officer of the District that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Resolution (collectively, the “**Authorized Documents**”) are hereby authorized to execute the Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document (including this Resolution, the Note and any Financing 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 for the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

ADOPTED AND APPROVED this 19th day of July, 2022.

(S E A L)

HAWTHORN METROPOLITAN DISTRICT, in
Jefferson County, Colorado

President

ATTESTED:

Secretary or Assistant Secretary

**HAWTHORN METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 AMENDED BUDGET**

	BUDGET 2022	AMENDED 2022
BEGINNING FUND BALANCE	\$ 541,614	\$ 548,636
REVENUES		
Property Tax	552,300	552,300
Specific Ownership Tax	38,661	38,661
Interest income	650	650
Other Income	-	371,225
Loan issuance - 2022	-	8,755,000
Total revenue	591,611	9,717,836
Total funds available	1,133,225	10,266,472
EXPENDITURES		
Capital		
Bond interest Series 2017A	290,625	145,313
Bond interest Series 2017B	100,000	-
Bond principal Series 2017A	85,000	-
Loan interest	-	180,000
Loan principal	-	140,236
County Treasurer's Fees	8,285	8,285
Paying Agent Fees	8,000	8,000
Bond refunding	-	8,902,899
Loan issue costs	-	244,042
Contingency	8,090	371,225
Total expenditures	500,000	10,000,000
Total expenditures and transfers out requiring appropriation	500,000	10,000,000
ENDING FUND BALANCE	\$ 633,225	\$ 266,472
SURPLUS FUND	\$ 621,000	\$ -
TOTAL RESERVE	\$ 621,000	\$ -

**HAWTHORN METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2022 BUDGET**

WHEREAS, the Board of Directors of Hawthorn Metropolitan District (the “**District**”) certifies that at a special meeting of the Board of Directors of the District held July 19, 2022, a public hearing was held regarding the 2022 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2022 as follows:

Debt Service Fund	\$500,000
and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2022; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2022 as follows:

Debt Service Fund	\$10,000,000
-------------------	--------------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of page intentionally left blank.]

ADOPTED this 19th day of July, 2022.

HAWTHORN METROPOLITAN DISTRICT

Officer of the District

ATTEST:

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 at a meeting held on July, 19, 2022, at 17685 W. 83rd Drive, Arvada, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____ 20__.

**HAWTHORN METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2022 BUDGET**

WHEREAS, the Board of Directors of Hawthorn Metropolitan District (the “**District**”) certifies that at a special meeting of the Board of Directors of the District held July 19, 2022, a public hearing was held regarding the 2022 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2022 as follows:

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and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2022; and

WHEREAS, funds are available for such expenditure.

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Debt Service Fund	\$10,000,000
-------------------	--------------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of page intentionally left blank.]

ADOPTED this 19th day of July, 2022.

HAWTHORN METROPOLITAN DISTRICT

Officer of the District

ATTEST:

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 at a meeting held on July, 19, 2022, at 17685 W. 83rd Drive, Arvada, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____ 20__.

HAWTHORN METROPOLITAN DISTRICT

July 19, 2021 11:00 a.m.

Supplemental Meeting Packet

1. Loan Agreement
2. Custodial Agreement
3. Escrow Agreement
4. Placement Agent Agreement
5. MuniCap's Report (to be distributed)

LOAN AGREEMENT

BY AND BETWEEN

**HAWTHORN METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO**

AND

**ZIONS BANCORPORATION, N.A. D/B/A VECTRA BANK COLORADO
AS LENDER**

**PERTAINING TO A SERIES 2022 LOAN IN THE PRINCIPAL AMOUNT OF
\$[PAR]**

DATED AS OF JULY [__], 2022

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EXHIBIT B: BALLOT QUESTIONS FROM 2012 ELECTION

EXHIBIT C: FORM OF TAX-EXEMPT REISSUANCE OPINION

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Loan Agreement”) is made and entered into as of July [], 2022, by and between **HAWTHORN METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **ZIONS BANCORPORATION, N.A. D/B/A VECTRA BANK COLORADO**, a national banking association, in its capacity as lender (the “**Bank**”).

WITNESSETH:

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

WHEREAS, the District was organized as “Hawthorn Metropolitan District No. 2” by an Order and Decree of the District Court for Jefferson County, Colorado issued on December 5, 2012, recorded in the real property records of Jefferson County, Colorado on December 5, 2012, and January 15, 2013; and

WHEREAS, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements as well as covenant enforcement and security services, in accordance with Service Plan for the District approved by the Board of County Commissioners of Jefferson County, Colorado (the “**County**”) on September 25, 2012 [**NEED APPROVING RESOLUTION**] (as may be further amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, the name of the District was changed to “Hawthorn Metropolitan District” by Order of the District Court for Jefferson County, Colorado issued on July 8, 2022, recorded in the real property records of the County on July 11, 2022; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, November 6, 2012 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the authorization of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, including an authorization of \$30,000,000 in principal amount of indebtedness for refunding purposes, the questions relating thereto being as set forth in Exhibit B hereto; and

WHEREAS, the returns of the Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S.

within forty-five days after the election or not later than thirty days before issuing any general obligation debt; and

WHEREAS, for the purpose of funding costs of the Facilities, the District has previously entered into an Infrastructure Acquisition and Reimbursement Agreement dated December 7, 2015 (the “**Reimbursement Agreement**”) with Hawthorn Development, Inc., a Colorado corporation (the “**Developer**”), pursuant to which the Developer has previously constructed (or caused to be constructed), and advanced moneys to the District to construct, a portion of the Facilities, and which agreement was subsequently terminated in 2017 with no amounts outstanding thereunder; and

WHEREAS, for the purposes of funding or reimbursing costs of the Facilities (including amounts payable to the Developer in accordance with the Reimbursement Agreement) and refunding prior obligations of the District issued to fund or reimburse such costs, the District has previously issued its: (i) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, originally issued in the aggregate principal amount of \$6,210,000 and presently outstanding in the aggregate principal amount of \$[5,950,000] (the “**Series 2017A Senior Bonds**”), (ii) its Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B, originally issued [and presently outstanding] in the aggregate principal amount of \$820,000 (the “**Series 2017B Subordinate Bonds**”), and (iii) its Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C, originally issued [and presently outstanding] in the aggregate principal amount of \$928,000 (the “**Series 2017C Junior Lien Bonds**”) and, collectively with the Series 2017A Senior Bonds and the 2017B Subordinate Bonds, the “**Refunded Bonds**”); and

WHEREAS, the Series 2017A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust (Senior) dated as of December 1, 2017 (the “**2017A Indenture**”), between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), the Series 2017B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of December 1, 2017 (the “**2017B Indenture**”), between the District and the Trustee, and the Series 2017C Junior Lien Bonds were issued pursuant to and are secured by an Indenture of Trust (Junior Lien) dated as of December 1, 2017 (the “**2017C Indenture**”), between the District and the Trustee; and

WHEREAS, in accordance with the 2017A Indenture, the Series 2017A Senior Bonds bear interest at rates of 4.50% and 5.00% per annum, are subject to redemption at the option of the District commencing on December 1, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017B Indenture, the Series 2017B Subordinate Bonds bear interest at a rate of 7.25% per annum, are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017C Indenture, the Series 2017C Junior Lien Bonds bear interest at a rate of 10.0% per annum, are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount

redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the District has previously allocated the electoral authorization of the Election to the original principal amount of the Refunded Bonds in accordance with the indentures of trust pursuant to which the Refunded Bonds were issued, including project fund requisition forms submitted in accordance with the provisions thereof, which allocation of electoral authorization has been subsequently confirmed by the Board of Directors of the District (the “**Board**”) pursuant to a resolution adopted by the Board on July [____], 2022; and [TO BE REPLACED WITH ALLOCATION PER PROJECT FUND REQUISITIONS WHEN PROVIDED BY DISTRICT]

WHEREAS, it has been determined by the Board that by entering into and completing a refunding program with respect to all of the Series 2017A Senior Bonds, the Series 2017B Subordinate Bonds and the Series 2017C Junior Lien Bonds, the Board can reduce interest costs and effect other economies through such reduction in interest costs and permitting the District to lower its annual debt service mill levy; and

WHEREAS, the District has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Refunded Bonds be refunded by the incurrence of indebtedness in the form of a loan; and

WHEREAS, the District has requested the Bank to provide financing for the purpose of paying costs in connection with a refunding of the Refunded Bonds by making available to the District a loan in the aggregate principal amount of \$[PAR] (as more particularly defined herein, the “**Loan**”); and

WHEREAS, due to federal tax law restrictions regarding advance refundings by political subdivisions of tax-exempt bonds, the Refunded Bonds may not be refunded on a tax-exempt basis in advance of 90 days prior to the optional redemption date of the Refunded Bonds (which is December 1, 2022, for the Series 2017A Senior Bonds and December 15, 2022, for the Series 2017B Subordinate Bonds and the Series 2017C Junior Lien Bonds); and

WHEREAS, accordingly, interest on the Loan will be included in the gross income of the recipient thereof for federal income tax purposes, until such time, if at all, that the Tax-Exempt Reissuance Date occurs, all as more particularly described herein, and the Tax-Exempt Reissuance Date is expected to occur on or about September 16, 2022 (although it may occur on another date or not at all); and

WHEREAS, the “**Base Rate**” (as more particularly defined herein) on the Loan will be: (i) [_____] % per annum until the Tax-Exempt Reissuance Date (if such date occurs, and subject to the Interest Reset Date, as more particularly defined herein); and (ii) [_____] % per annum on and after the Tax-Exempt Reissuance Date (subject to the Interest Reset Date); and

WHEREAS, the District hereby reserves and allocates to the authorized but unissued electoral authorization of the Election for refunding purposes the aggregate principal amount of the Loan, contingent upon whether the final net effective interest rate of the Loan (taking into account the rate applicable after the Interest Reset Date) is lower than the net effective interest rate

on the Refunded Bonds, resulting in \$[] of such refunding authorization remaining and not reserved as of the date hereof [CONFIRM NONE PREVIOUSLY USED]; and

WHEREAS, the Bank is willing to enter into this Loan Agreement and to make the Loan to the District pursuant to the terms and conditions stated herein; and

WHEREAS, the Loan shall be payable from and secured by the Pledged Revenue (as defined herein), constituting revenue received directly and indirectly from the Required Mill Levy (as defined herein); and

WHEREAS, the Pledged Revenue is to be applied, and funds and account securing the Loan are to be held, invested and disbursed, in accordance with a Custodial Agreement dated July [], 2022 (the “**Custodial Agreement**”), between the District and Zions Bancorporation, National Association (the “**Custodian**”); and

WHEREAS, the Bank is a financial institution or institutional investor within the meaning of §32-1-103, C.R.S., and the debt represented by the Loan is permitted pursuant to §32-1-1101 (6)(a)(IV), C.R.S.; and

WHEREAS, the incurrence of the Loan shall not involve a public offering, and shall be made exclusively to the Bank as an “accredited investor”, as that term is defined under sections 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted thereunder by the securities and exchange commission, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties hereto agree as follows.

ARTICLE I

DEFINITIONS

In this Loan Agreement, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

“*Accredited Investor*” means any Person who or which is an “accredited investor”, as that term is defined under sections 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted thereunder by the securities and exchange commission.

“*Annual Debt Requirements*” means, with respect to any Fiscal Year, an amount equal to the sum of the following with respect to such period, calculated as of December 2 of the preceding calendar year: [NOTE: ASSUMING FULL AMORTIZATION OF LOAN AT MATURITY DATE; IF NOT FULL AMORTIZATION, DISCUSS CONCEPT OF REFINANCING CERTIFICATE TO LIMIT UNLIMITED MILL LEVY TO PAY BALLOON PAYMENT]

- (a) the principal coming due on the Loan in such Fiscal Year; and

(b) all interest due or coming due on the Loan in such Fiscal Year (including any previously accrued but unpaid interest), which interest shall be computed as follows:

(i) if the calculation is being made while any portion of the Loan bears interest at the Base Rate, the District shall determine the amount of interest expected to be due and payable on such portion in the relevant year by using the actual Base Rate for all of such year (for the avoidance of doubt, from and after a Taxability Event Effective Date with respect to the Loan, the Base Rate to be used for such purposes shall be the Taxable Rate);

(ii) if the calculation of interest is being made while any portion of the Loan bears interest at the Default Rate, the District shall determine the amount of interest expected to be due and payable on such portion in the relevant year by using the actual Default Rate for all of such year; provided that if the District reasonably concludes that the Event of Default causing the Default Rate to apply will be cured as of a particular date and the Base Rate will begin to apply as of that date, it can modify the above calculation accordingly, but only if it has given at least ten (10) days written notice to the Bank of such modification and the Bank has not objected thereto in writing within ten (10) days of receipt.

“Applicable Interest Rate” means the then applicable interest rate on the Loan or any part thereof, whether such interest rate is the Base Rate or the Default Rate, prior to giving effect to any reduction that may be required as a result of the maximum Net Effective Interest Rate in accordance with Section 2.02(a)(iii)(A).

“Authorized Officer” means any member of the Board, and any other person designated by the Board.

“Authorizing Resolution” means the resolution adopted by the Board on July [], 2022, authorizing the District to enter into the Loan and execute and deliver the Financing Documents.

“Bank” means Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, a national banking association, Denver, Colorado, in its capacity as lender of the Loan, and its permitted successors and assigns.

“Base Rate” means the interest rate applicable to the Loan for so long as the Default Rate does not apply, which shall be as follows:

(a) for the period commencing with the Closing Date to, but not including, the Tax-Exempt Reissuance Date (or, if earlier, the Interest Reset Date), the Base Rate will be []% per annum (the Taxable Rate);

(b) for the period commencing with the Tax-Exempt Reissuance Date (assuming that such date occurs prior to the Interest Reset Date) to, but not including, the Interest Reset Date, the Base Rate will be []% per annum, subject to clause (d) hereof; and

(c) on and after the Interest Reset Date:

(i) if the Tax-Exempt Reissuance Date for a particular portion of the Loan has occurred prior to the Interest Reset Date, 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 (i.e., the rate determined in accordance with clause (ii)(A) below), multiplied by 80%, or (B) 3.75%, subject to clause (d) hereof.

(ii) if the Tax-Exempt Reissuance Date for a particular portion of the Loan has not occurred prior to the Interest Reset Date, 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, or (B) 3.75%; and

(d) upon the occurrence of a Determination of Taxability with respect to the Loan, from and after the Taxability Event Effective Date, and subject to the receipt of a Notice of Taxable Rate Increase with respect thereto, the Base Rate for the Loan shall be the Taxable Rate.

“Board” means the Board of Directors of the District.

“Bond Counsel” means Ballard Spahr LLP.

“Business Day” means any day of the week on which the Bank is conducting its banking operations nationally and on which day the Bank’s offices are open for business in Denver, Colorado.

“Certified Public Accountant” means a certified public accountant within the meaning of §12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

“County” means Jefferson County, Colorado.

“Closing” means the concurrent execution and delivery of the Financing Documents by the respective parties thereto.

“Closing Date” means July [], 2022.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Conversion Date” means the first date on which the Debt to Assessed Ratio is 50% or less.

“Costs of Issuance Fund” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*Custodial Agreement*” means the Custodial Agreement, dated of even date hereof, by and between the District and the Custodian, as acknowledged and consented to by the Bank, as amended or supplemented from time to time.

“*Custodian*” means Zions Bancorporation, National Association, and its successors and assigns, as custodian under the Custodial Agreement.

“*Debt*” means, without duplication, all of the following obligations of the District for the payment of which the District promises or is required to impose an ad valorem property tax levy or special assessments, or impose fees: (a) borrowed money of any kind; (b) obligations evidenced by bonds, debentures, notes or similar instruments; (c) obligations upon which interest charges are customarily paid; (d) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the District; (e) obligations issued or assumed as the deferred purchase price of property or services; (f) obligations in connection with indebtedness of others secured by (or which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or other encumbrance on property owned or acquired by the District, whether or not the obligations secured thereby have been assumed (only to the extent of the fair market value of such asset if such indebtedness has not been assumed by the District); (g) obligations arising from guarantees made by the District; (h) obligations evidenced by capital leases; (i) obligations as an account party in respect of letters of credit and bankers’ acceptances or similar obligations issued in respect of the District; and (j) obligations evidenced by any interest rate exchange agreement; provided that notwithstanding the foregoing, the term “Debt” does not include: (A) obligations issued for any purpose, the repayment of which is contingent upon the District’s annual determination to appropriate moneys therefor, other than capital leases as set forth in (h) above, so long as (i) such obligations are payable only to the extent the District has excess moneys on hand, (ii) such obligations are payable in any Fiscal Year only after the last scheduled payment of principal or interest on the Loan in such Fiscal Year, and (iii) the District makes no promise to impose any tax, fee, or other governmental charge for the payment of such obligations; or (B) any obligations issued solely for the purpose of paying operations and maintenance costs of the District and either: (i) are subject to termination by the applicable District at least annually; or (ii) the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor.

“*Debt to Assessed Ratio*” means, as of any date of calculation, the ratio derived by dividing the then-outstanding principal amount of Service Plan Limited Debt by the most recent Final Assessed Valuation of the District, which ratio calculation shall be set forth in a written certificate of the District Representative provided to the Bank.

“*Default Rate*” means a rate of interest equal to the lesser of: (i) 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 (ii) 18.00%.

“*Default Rate Notice*” means a written notice executed by the Bank provided to the District that (a) identifies the Material Event of Default, (b) states the effective date that the Default Rate shall begin to accrue (subject to the provisions of Section 2.02(a)(ii)(B) hereof), and (c) certifies the then applicable Default Rate.

“*Determination of Taxability*” means, on and after the Tax-Exempt Reissuance Date, any determination, decision, or decree made by the commissioner or any district director of the Internal

Revenue Service, or by any court of competent jurisdiction, which results in interest payable on the Loan becoming includable, in whole or in part, in the gross income of the recipient pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District, and provided that such determination, decision or decree results from the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of Loan. It is understood and agreed that a Determination of Taxability will not result solely from any change in the Constitution or laws of the United States of America or the State of Colorado or interpretation thereof, in and of itself.

“Election” means the election held within the District on November 6, 2012.

“Escrow Account” means a special fund and separate trust account created by the provisions of the Authorizing Resolution, designated as the “Hawthorn Metropolitan District Series 2017 Bonds Escrow Account,” to be established and maintained by the Escrow Agent pursuant to the Escrow Agreement for the purpose of paying the principal of, premium if any, and interest on the Refunded Bonds.

“Escrow Agent” means UMB Bank, n.a., in Denver, Colorado, or its successor, a national banking association duly organized and existing under the laws of the United States of America, being a member of the Federal Deposit Insurance Corporation, and having full and complete trust powers, where the Escrow Account is established and maintained.

“Escrow Agreement” means the agreement between the District and the Escrow Agent dated as of the Closing Date, concerning the establishment and maintenance of the Escrow Account.

“Event of Default” has the meaning set forth in Section 7.01 hereof.

“Event of Default Notice” has the meaning set forth in Section 7.01 hereof.

“Final Assessed Valuation” means the final certified assessed valuation of all taxable property of the District, as calculated and recorded by the County Assessor on or about December 10 of each year, or on such other date as may be established by law for the annual final certification of assessed valuation.

“Financing Documents” means this Loan Agreement, the Note, the Authorizing Resolution, the Escrow Agreement and the Custodial Agreement.

“Fiscal Year” means the 12 months commencing January 1 of any year and ending December 31 of such year.

“General Counsel” means White Bear Ankele Tanaka & Waldron, P.C., or any successor General Counsel designated in writing by the District.

“Interest Differential” has the meaning set forth in Section 2.02(a)(iii) hereof.

“Interest Payment Date” means June 1 and December 1 of each year, commencing December 1, 2022.

“Interest Period” means the six month period from one Interest Payment Date to, but not including, the next Interest Payment Date.

“Interest Reset Date” means December 1, 2042.

“Loan” means the loan made by the Bank to the District hereunder in the aggregate principal amount of \$[PAR].

“Loan Agreement” means this Loan Agreement and any amendments or supplements made hereto in accordance with the terms herewith.

“Loan Payment Fund” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“Material Event of Default” means an Event of Default described in Section 7.01 hereof; provided, however, that with respect to the Event of Default described in Section 7.01(b) as relating specifically to this Loan Agreement, only the failure of the District to comply with Sections 5.11 and 5.12 hereof shall constitute a Material Event of Default hereunder.

“Maturity Date” means December 1, 2052 [**CONFIRM**].

“Maximum Rate” means 18.00%, the maximum Net Effective Interest Rate permitted by the terms of the Election.

“Net Effective Interest Rate” means, as of the end of any Interest Period, the total amount of interest accrued hereunder on the Loan from the Closing Date through the last day of such Interest Period, divided by the sum of the products derived by multiplying the principal amount of the Loan outstanding in each year by the number of years from the date of this Loan Agreement to the last day of such Interest Period (or the date on which such principal amount was actually paid, if earlier); provided that in the event of a conflict between the above calculations and the calculations of net effective interest rate required by law or by the terms of the District’s electoral authorization, the net effective interest rate required by law or by the terms of the District’s electoral authorization shall control.

“Note” means the Hawthorn Metropolitan District Promissory Note, Series 2022, evidencing the Loan, in the aggregate principal amount of \$[PAR], from the District, as maker, to the Bank, as payee, and dated as of the Closing Date, in substantially the form of Exhibit A attached hereto.

“Notice of Taxable Rate Increase” means a written notice of the Bank to the District stating that, as a result of the occurrence of a Determination of Taxability, the Bank is exercising its right to invoke the Taxable Rate on the Loan.

“Parity Debt” means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof on parity with the lien thereon of the Note, and any other obligation secured by a lien on any ad valorem property taxes of the District and designated by the District, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting Parity Debt hereunder.

“Participants” means one or more commercial banks or other Persons not affiliates of the District, which Participants shall be Accredited Investors.

“Permitted Investments” means any investment or deposit permissible under then applicable law.

“Permitted Subordinate Debt” means additional Debt issued by the District after the Closing Date which satisfies all of the following criteria, or is otherwise consented to by the Bank:

(a) at the time of issuance, no Material Event of Default hereunder shall have occurred and be continuing;

(b) such additional Debt shall be payable as to principal and interest only once per year on or after December 5th, only after all amounts to be paid or accumulated in connection with the Loan and any Parity Debt in such year have been paid or accumulated, and only if no Material Event of Default has occurred and is then continuing hereunder;

(c) such additional Debt is structured as a “cash flow” obligation, meaning that there are no scheduled principal payments due with respect thereto prior to the final maturity date;

(d) payments shall not be made on such additional Debt, including principal, premium if any and interest, so long as a Material Event of Default has occurred and is continuing hereunder, unless and until all amounts then due and payable with respect to the Loan are paid in full (including any applicable default interest and associated costs);

(e) an event of default with respect to any such additional Debt shall not, by the terms of such additional Debt, accelerate the payment of, or result in an Event of Default with respect to, the Loan; and

(f) the indenture, loan agreement or other instrument pursuant to which the Debt is issued shall expressly permit the issuance of additional Parity Debt for the purpose of refinancing, restructuring and/or refunding the Loan without the consent of the registered owners, beneficial owners or consent parties of such Debt.

“Person” means an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Pledged Revenue” means the following:

(a) all Property Tax Revenues;

(b) all Specific Ownership Tax Revenues; and

(c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

“*Pledged Revenue Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“*Principal Payment Date*” means December 1 of each year, commencing December 1, 2022, through and including the Maturity Date.

“*Property Tax Revenues*” means all moneys derived from imposition by the District of the Required Mill Levy and any debt service mill levy imposed in 2021 (for collection in 2022, but only to the extent not previously collected and applied to payment of the Refunded Bonds or deposited to funds held under the Custodial Agreement on the date hereof). Property Tax Revenues are net of County collection costs and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Property Tax Revenues do not include Specific Ownership Tax Revenues.)

“*Required Mill Levy*” means:

(a) subject to paragraph (c) below, **prior to the Conversion Date**, 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);

(b) subject to paragraph (c) below, **on and after the Conversion Date**, 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. On and after the Conversion Date, the definition of “Required Mill Levy” thereafter shall be determined exclusively by this paragraph (b) regardless of any subsequent increase in the Debt to Assessed Ratio.

(c) notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral

authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"Series 2017A Senior Bonds" means the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, originally issued in the aggregate principal amount of \$6,210,000 and presently outstanding in the aggregate principal amount of \$[5,950,000].

"Series 2017B Subordinate Bonds" means the District's Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B, originally issued [and currently outstanding] in the aggregate principal amount of \$820,000.

"Series 2017C Junior Lien Bonds" means the District's Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C, originally issued [and currently outstanding] in the aggregate principal amount of \$928,000.

"Service Plan" means the Service Plan for Hawthorn Metropolitan District approved by the Board of County Commissioners of Jefferson County, Colorado on September 25, 2012, as the same may be further amended or restated from time to time.

"Service Plan Limited Debt" means, for any particular calculation date, the aggregate outstanding principal amount (or, if issued as capital appreciation bonds, the then accreted value), as of such calculation date, of the Loan, any Parity Debt, and any other bonds or other obligations not subject to annual appropriation for the payment of which the District is obligated to impose an ad valorem property tax mill levy and/or collect fees.

"Special District Act" means Title 32, Article 1, C.R.S.

"Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Required Mill Levy.

"Supplemental Public Securities Act" means Title 11, Article 57, Part 2, C.R.S.

"Tax Certificate" means the tax compliance certificate to be signed by the District in connection with the issuance of a Tax-Exempt Reissuance Opinion, in a form acceptable to Bond Counsel, relating to the requirements of Sections 103 and 141-150 of the Code.

"Taxability Event Effective Date" means the first date on which, as the result of a Determination of Taxability, interest payable on the Loan is includable, in whole or in part, in the gross income of the recipient pursuant to Section 103(b) of the Internal Revenue Code.

"Taxable Rate" means [_____] % per annum.

"Tax-Exempt Reissuance Date" means, with respect to any particular portion of the Loan, the date of issuance (if at all) of a Tax-Exempt Reissuance Opinion with respect to such portion of the Loan.

“*Tax-Exempt Reissuance Opinion*” means an opinion of Bond Counsel addressed to the Bank (or, in lieu thereof, with a reliance letter to the Bank) in the form attached as Exhibit C hereto to the effect that, on and after the date thereof, the interest on the portion of the Loan identified therein is excludable from the gross income of the recipients thereof for federal income tax purposes, as more particularly provided in, and subject to the limitations set forth in, such form of opinion.

“*10-Year U.S. Treasury Rate*” means, as of the Interest Reset Date, the rate of interest per annum most recently published by the Federal Reserve Board or as otherwise announced by the United States Department of the Treasury with respect to direct obligations of the United States having a stated maturity of ten years.**[CONFIRM]**

“*Wall Street Journal Prime Rate*” means the prime rate published by the Wall Street Journal. Information about the Wall Street Journal Prime Rate is available or published daily in the Wall Street Journal. If the Wall Street Journal becomes unavailable during the term of the Loan, the Bank may designate a substitute index after notifying the District and the Custodian. The Bank will provide the District the current Wall Street Journal Prime Rate upon the District’s request. As of the date of issuance of the Loan, the Wall Street Journal Prime Rate is available at <https://www.wsj.com/market-data/bonds/moneyrates>.

ARTICLE II

LOAN

Section 2.01. Term Loan.

(a) ***Agreement to Make Loan.*** The Bank hereby agrees to extend the Loan to the District, subject to the terms and conditions of this Loan Agreement. The Loan shall be evidenced by the Note, which shall be substantially in the form set forth in Exhibit A attached hereto.

(b) ***Application of Loan Proceeds.*** On the Closing Date, the Bank will make available the Loan proceeds, and such moneys shall be applied as follows: **[ANY CREDITS TO BE MADE TO LOA PAYMENT FUND FOR DECEMBER 1, 2022 PAYMENT?]**

(i) the amount of \$[] shall be disbursed to the Escrow Agent for deposit to the Escrow Account, representing an amount which, when combined with other legally available moneys of the District credited thereto, is sufficient to fund the Escrow Account in accordance with the report of a Certified Public Accountant so as to fully defease the Refunded Bonds; and

(ii) the amount of \$[] shall be transferred to the Custodian, to be credited to the Costs of Issuance Fund established under the Custodial Agreement, for payment of the fees, costs and expenses incurred in connection with the issuance and delivery of the Loan; and

(iii) the amount of \$[] shall be transferred to Kutak Rock LLP, as counsel to the Bank, for certain legal fees and expenses. **[PLEASE ADVISE WHETHER THIS IS TO BE PAID DIRECTLY OR OUT OF COI FUND]**

Section 2.02. Applicable Interest Rate; Loan Payments; Fees and Expenses.

(a) *Interest Payments.*

(i) *Payment Dates and Computations; Compounding.* Interest payments on the Loan shall be due on each Interest Payment Date. All interest due and payable hereunder shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall compound on each Interest Payment Date at the then-applicable interest rate. The Bank's internal records of applicable interest rates shall be determinative in the absence of manifest error.

(ii) *Interest Rates.*

(A) Interest Rate. Subject to clause (iii) hereof, unless the Default Rate applies, the unpaid principal balance of the Loan will bear interest at the applicable Base Rate.

(B) Default Rate. Upon the occurrence of a Material Event of Default, unless waived in writing by the Bank, the unpaid principal balance of the Loan will bear interest at the Default Rate for so long as such Material Event of Default continues and remains uncured. Such Default Rate shall be determined in accordance with the provisions hereof, and shall be set forth in a Default Rate Notice provided by the Bank to the District. For purposes of the foregoing, a Material Event of Default will commence on the date that is the 30th day after the District's receipt from the Bank of an Event of Default Notice for the related event or condition in accordance with Section 7.01 hereof, provided that such event or condition has not previously been cured to the satisfaction of the Bank.

(iii) *Maximum Interest Rate; Interest Rate Differential.*

(A) Maximum Rate. Notwithstanding the foregoing provisions, the maximum Net Effective Interest Rate that the District is authorized to pay with respect to the Loan is the Maximum Rate, 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. In addition to the foregoing, to the extent amounts due to the Bank have not been fully repaid because of the application of this Maximum Rate provision, the provisions of Section 2.02(a)(iii)(B) hereof shall apply.

(B) Interest Rate Differential. 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 provisions of Section 2.02(a)(iii)(A) hereof, 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.

(b) ***Principal Payments.*** Repayment of principal amounts owing under the Loan shall occur on each Principal Payment Date with respect to the Note as set forth below. On the Maturity Date, the outstanding principal balance of the Loan shall be due and payable in full. The principal payment amounts on the Note shall be as set forth below.

Payment Date (December 1)	Amount Due	Payment Date (December 1)	Amount Due
2022	\$	2038	\$
2023		2039	
2024		2040	
2025		2041	
2026		2042	
2027		2043	
2028		2044	
2029		2045	
2030		2046	
2031		2047	
2032		2048	
2033		2049	
2034		2050	
2035		2051	
2036		2052	
2037			

For purposes of the foregoing table, optional prepayment of any principal of the Loan in accordance with Section 2.02(c)(i) hereof shall reduce the principal amount due on the Loan in such year or years as may be determined by the District. Any prepayment of the Loan in accordance with Section 2.02(c)(ii) hereof shall reduce principal payments due on the Loan in inverse chronological order of the foregoing principal payments, commencing with the principal due and owing on the Maturity Date.

(c) ***Optional Prepayment.***

(i) At its option and subject to the restrictions set forth in this Section, the District may prepay all or any part of the principal of the Loan on any date on or after the tenth anniversary of the Closing Date upon payment to the Bank of the principal amount so prepaid, accrued interest thereon to the prepayment date, without prepayment fee or penalty. The Loan is not subject to prepayment prior to the tenth anniversary of the Closing Date. Any direction of the District to optionally prepay principal of the Loan as permitted by this Section 2.02(c)(i) shall be provided to the Custodian and to the Bank not less than 30 days prior to the date on which such optional prepayment is requested to occur.

(ii) At the direction of the District, and in its sole and absolute discretion, the Custodian is to credit to the Loan Payment Fund on each November 10 all of the amounts then remaining on deposit in the Pledged Revenue Fund and available in accordance with

clause FOURTH of Section 4 of the Custodial Agreement (or such lesser amount as may be directed by the District), after the funding of all amounts then required to be funded in accordance with clauses FIRST through THIRD of Section 4 of the Custodial Agreement. Any amount then available in the Loan Payment Fund in accordance with Section 5(c)(iii) of the Custodial Agreement, shall be applied by the Custodian to the prepayment of additional principal of the Loan on the immediately succeeding Principal Payment Date.

(d) ***Obligations Unconditional.*** The District's obligation to repay the Loan hereunder and all of its other obligations under this Loan Agreement shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim, or defense to payment which the District may have against the Bank, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of the Loan hereunder, and irrespective of the legality, validity, regularity, or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Bank explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the District hereunder and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided however, that nothing contained in this Section shall abrogate or otherwise affect the rights of the District pursuant to Section 8.16 hereof.

(e) ***Waivers, Etc.*** To the extent permitted by law: (i) the District hereby waives (A) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of nonpayment; (B) to the extent the Bank is not in default hereunder, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of the District to the Bank hereunder, howsoever arising, has been paid; (C) the right to require the Bank to proceed against the District hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (D) all statutes of limitation except those pertaining to the validity or enforceability of this Loan Agreement; and (E) any defense arising out of the election by the Bank to foreclose on any security by one or more non judicial or judicial sales; (ii) the Bank may exercise any other right or remedy, even though any such election operates to impair or extinguish the District's right to repayment from, or any other right or remedy it may have against, any Person, or any security; and (iii) the District agrees that the Bank may proceed against the District or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release, or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under any Financing Document (other than by mutual agreement between the District and the Bank) shall not in any way affect the liability of the District hereunder.

(f) ***Electoral Limitations.*** It is acknowledged by the Bank that all of the obligations of the District under this Loan Agreement are limited by the District's voted debt authorization and the Service Plan with respect to principal amount, Maximum Rate, maximum repayment cost, and maximum annual tax increases, and that, notwithstanding anything herein to the contrary, the District is not authorized and is not obligating itself with respect to the foregoing obligations in excess of that which is permitted under the terms of the District's voted debt authorization and the Service Plan. Notwithstanding anything else herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral

authorization in repayment of the District's obligations hereunder, including all payments of principal and interest, and all of the District's obligations hereunder and under the Loan will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Section 2.03. Costs and Expenses. To the extent permitted by law, the District agrees to pay all reasonable costs and expenses of the Bank in connection with (a) the preparation, execution, and delivery of this Loan Agreement or any other documents, including the other Financing Documents, which may be delivered by any party in connection with this Loan Agreement and the other Financing Documents; (b) the filing, recording, administration (other than normal, routine administration), enforcement, transfer, amendment, maintenance, renewal, or cancellation of this Loan Agreement and all amendments or modifications thereto (or supplements hereto), including, without limitation, the reasonable fees and out of pocket expenses of counsel for the Bank and the allocated cost of in house counsel and legal staff and independent public accountants and other outside experts retained by the Bank in connection with any of the foregoing; and (c) the fees and expenses of the Custodian, including, without limitation, the reasonable fees and expenses of counsel, or any other custodian appointed by the Bank to hold any collateral securing the obligations of the District hereunder. In addition, to the extent permitted by law, the District agrees to pay promptly all reasonable costs and expenses of the Bank, including, without limitation, the fees and expenses of external counsel and the allocated cost of in house counsel, for (i) any and all amounts which the Bank has paid relative to the Bank's curing of any Event of Default under this Loan Agreement or any of the Financing Documents; (ii) the enforcement of this Loan Agreement or any of the Financing Documents; or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount hereunder. Without prejudice to the survival of any other agreement of the District hereunder, the agreements and obligations contained in this Section shall survive the payment in full of all amounts owing to the Bank hereunder.**Pledge.** The principal of and interest on the Loan shall be payable solely from and to the extent of the Pledged Revenue and the funds and accounts held for the payment of the Loan under the Custodial Agreement, and the Pledged Revenue is hereby pledged to the payment of the principal of and interest on the Loan. The Loan shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. The lien of the Bank on the Pledged Revenue hereunder shall be subject to no other liens without the prior written consent of the Bank. The District represents and warrants that, except as otherwise permitted in this Loan Agreement, the Pledged Revenue is not and shall not be subject to any other lien or encumbrance without the prior written consent of the Bank.**Conditions to Closing.** The funding by the Bank of the Loan is conditioned upon the satisfaction of each of the following, except as may be waived by the Bank, and upon Closing, all such conditions shall be deemed satisfied or waived by the Bank:

(a) ***Financing Documents.*** All Financing Documents and other instruments applicable to the Loan are in form and content satisfactory to the Bank and have been duly executed and delivered in form and substance satisfactory to the Bank and shall have not been modified, amended, or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof shall have been delivered to the Bank.

(b) ***Certified Proceedings.*** The Bank has received a certified copy of the Authorizing Resolution of the District, which shall be in form and content satisfactory to the Bank and authorize the District to obtain the Loan and perform all acts contemplated by this Loan

Agreement and all other Financing Documents, and a certified copy of all other ordinances, resolutions, and proceedings taken by the District authorizing the District to obtain the Loan and the execution, delivery, and performance of this Loan Agreement and the other Financing Documents and the transactions contemplated hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Loan Agreement and the other Financing Documents to be delivered by the District hereunder and as to other matters of fact as shall reasonably be requested by the Bank.

(c) ***District Certificate.*** The District shall have provided a certificate certifying that on the Closing Date each representation and warranty on the part of the District contained in this Loan Agreement and in any other Financing Documents is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Financing Documents, or under any other agreements by and between the District and the Bank and certifying as to such other matters as the Bank might reasonably request.

(d) ***Bond Counsel Opinion.*** The Bank shall have received the opinion of Bond Counsel dated the Closing Date and in form and substance acceptable to the Bank, stating in substance that the obligation of the District to pay the principal of and interest on the Loan constitutes a limited tax general obligation of the District; that this Loan Agreement creates a valid lien on the Pledged Revenue for the purpose of paying the principal of and interest on the Loan; and that the Financing Documents are binding and enforceable against the District in accordance with the terms hereof, subject to certain exceptions reasonably satisfactory to the Bank.

(e) ***Defeasance Opinion.*** The Bank shall have received the opinion of Bond Counsel dated the Closing Date and in form and substance acceptable to the Bank, concerning the defeasance of the Refunded Bonds on the Closing Date, based on certain assumptions reasonably satisfactory to the Bank (including the Verification Report, as defined and described below).

(f) ***General Counsel Opinion.*** The Bank shall have received an opinion of General Counsel to the District dated the Closing Date and in form and substance acceptable to the Bank with respect to such matters as the Bank may require, including the due organization and existence of the District; that, to the best of General Counsel's knowledge, no additional or further approval, consent or authorization of any governmental, public agency, or authority not already obtained is required by the District in connection with the issuance of the Loan, or entering into and performing its obligations under the Financing Documents; that the District has taken the procedural steps necessary to adopt the Authorizing Resolution in material compliance with the procedural rules of the District and the requirements of Colorado law, and the Authorizing Resolution remains in full force and effect as of the Closing Date; and that this Loan Agreement and the other Financing Documents to which the District is a party have been duly executed, and delivered by the District.

(g) ***Verification Report.*** The Bank shall have been provided a report of [____], Certified Public Accountants (the "**Verification Report**") concerning the sufficiency of amounts deposited and invested in accordance with the Escrow Agreement to pay the Refunded Bonds in full on the applicable redemption date. .

(h) ***Other Proceedings.*** All proceedings taken in connection with the transactions contemplated by this Loan Agreement, and all instruments, authorizations, and other documents applicable thereto, are satisfactory to the Bank and its counsel.

(i) ***Custodian.*** The Custodian shall be Zions Bancorporation, National Association. The Custodian shall have received a certificate from the District, in a form acceptable to the Custodian, identifying the names, titles and signature specimens of Authorized Officers of the District;

(j) ***No Change in Law.*** No law, regulation, ruling, or other action of the United States, the State of Colorado, or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the District from fulfilling its obligations under this Loan Agreement or the other Financing Documents.

(k) ***Payment of Costs and Expenses.*** All Bank counsel fees and any other fees and expenses due and payable as of the Closing Date in connection with the execution and delivery of this Loan Agreement shall have been paid by the District.

(l) ***Due Diligence.*** The Bank shall have been provided with the opportunity to review all pertinent financial information regarding the District, agreements, documents, and any other material information relating to the District or the Pledged Revenue or any other component of the collateral securing the obligations of the District hereunder.

(m) ***Accuracy and Completeness of Information.*** As of the Closing Date, all information provided by the District to the Bank shall be complete and accurate in all material respects.

(n) ***No Breach or Other Violation.*** The District is not in violation or breach of any other agreement with the Bank or with any third party of any type or nature in excess of \$10,000.

(o) ***Due Authorization.*** Due authorization and proper execution of the Bank loan documentation detailing the terms and conditions of the Loan, all in form and substance satisfactory to the Bank and its counsel.

(p) ***Other Certificates and Approvals.*** The Bank shall have received such other certificates, approvals, filings, opinions, and documents as shall be reasonably requested by the Bank.

(q) ***Other Legal Matters.*** All other legal matters pertaining to the execution and delivery of this Loan Agreement and the other Financing Documents shall be reasonably satisfactory to the Bank.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Acknowledgement of Funds; Escrow Account. Pursuant to the Custodial Agreement, the District created and established the following funds and accounts, which shall be held and administered in accordance with the provisions hereof and of the Custodial Agreement:

- (a) the Pledged Revenue Fund;
- (b) the Loan Payment Fund; and
- (c) the Costs of Issuance Fund.

There is also hereby established the Escrow Account, to be maintained by the Escrow Agent in accordance with the provisions of the Authorizing Resolution and the Escrow Agreement.

Section 3.02. Pledged Revenue Fund. The Pledged Revenue Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Pledged Revenue Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.03. Loan Payment Fund. The Loan Payment Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Loan Payment Fund shall be applied by the Custodian only as set forth in the Custodial Agreement, and the Loan Payment Fund is pledged to the payment of the Loan.**Costs of Issuance Fund.** The Costs of Issuance Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Costs of Issuance Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.05. Application of Pledged Revenue. Following issuance of the Loan, the District shall transfer all amounts comprising Pledged Revenue to the Custodian as soon as may be practicable after the receipt thereof by the District, and as more particularly provided in the Custodial Agreement, for application by the Custodian in accordance with the Custodial Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the District continuously represents and warrants to the Bank as follows:

Section 4.01. Due Organization. The District is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and validly existing under the laws of the State of Colorado.

Section 4.02. Power and Authorization. The District has all requisite power and authority to own and convey its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents; to execute, deliver, and to perform its obligations under this Loan Agreement and the other Financing Documents; and to cause the execution, delivery, and performance of the Financing Documents.

Section 4.03. No Legal Bar. To the best of its knowledge, the District is not in violation of any of the provisions of the laws of the State of Colorado or the United States of America or any of the provisions of any order of any court of the State of Colorado or the United States of America which would affect its existence or its powers referred to in the preceding Section 4.02. The execution, delivery, and performance by the District of this Loan Agreement and of the other Financing Documents (a) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority; (b) will not violate any provisions of any document constituting, regulating, or otherwise affecting the operations or activities of the District; and (c) will not violate any provision of, constitute a default under, or result in the creation, imposition, or foreclosure of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind other than liens created or imposed by the Financing Documents, on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business, or operations of the District, on the District's power to cause the Financing Documents to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under this Loan Agreement or the other Financing Documents.

Section 4.04. Consents. The District has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of this Loan Agreement and the other Financing Documents.

Section 4.05. Litigation. There is no action, suit, inquiry, investigation, or other proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the District, threatened in connection with any of the transactions contemplated by this Loan Agreement or against or affecting the assets of the District, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling, or finding (a) would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Financing Documents; or (b) would, in the reasonable opinion of the District, have a materially adverse effect on the ability of the District to conduct its business as presently conducted or as proposed or contemplated to be conducted.

Section 4.06. Enforceability. This Loan Agreement and each other Financing Document constitutes the legal, valid, and binding obligation of the District, enforceable against the District in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally, and provided that the application of equitable remedies is subject to the application of equitable principles.

Section 4.07. Changes in Law. To the best knowledge of the District, there is no pending change of any law which, if enacted or adopted could have a material adverse effect on the assets,

financial condition, business, or operations of the District, on the District's power to issue or its ability to pay in full in a timely fashion the obligations of the District under this Loan Agreement or the other Financing Documents.

Section 4.08. Financial Information and Statements. The financial statements and other information previously provided to the Bank or provided to the Bank in the future are or will be complete and accurate and prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the District's financial condition since such information was provided to the Bank.

Section 4.09. Accuracy of Information. All information, certificates, or statements given to the Bank pursuant to this Loan Agreement and the other Financing Documents will be true and complete in all material respects when given.

Section 4.10. Financing Documents. The District's representations and warranties contained in the Financing Documents are true and correct in all material respects as of the Closing Date.

Section 4.11. Regulations U and X. The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Loan will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 4.12. Default, Etc. The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any Financing Document or other resolution, agreement, or instrument to which it is a party which would have a material adverse effect on the ability of the District to perform its obligations hereunder or under the other Financing Documents, or which would affect the enforceability hereof or thereof.

Section 4.13. Sovereign Immunity. Except for actions that lie or would lie in tort, the District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Loan Agreement or any of the other Financing Documents.

Section 4.14. No Filings. No filings, recordings, registrations, or other actions are necessary to create and perfect the pledges provided for herein and in the Custodial Agreement; all obligations of the District hereunder are secured by the lien and pledge provided for herein and in the Custodial Agreement; and the liens and pledges provided for herein and in the Custodial Agreement constitute valid liens.

Section 4.15. Outstanding Debt. Except for the Series 2017A Senior Bonds, the Series 2017B Subordinate Bonds, and the Series 2017C Junior Lien Bonds, which will be paid with proceeds of the Loan, the District will have no other Debt outstanding payable from or secured by the Pledged Revenue or any portion thereof or any other component of the collateral securing the obligations of the District hereunder. **[CONFIRM]** The District represents and warrants that it will incur additional Debt only in accordance with the provisions of this Loan Agreement.

ARTICLE V

COVENANTS OF THE DISTRICT

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the District continuously warrants and agrees as follows:

Section 5.01. Performance of Covenants, Authority. The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Authorizing Resolution, this Loan Agreement, the Note, the other Financing Documents and all its proceedings pertaining thereto as though such covenants, undertakings, stipulations, and provisions were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of the District under this Loan Agreement shall be unpaid or unperformed). The District covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Special District Act, to incur the Loan and to issue, execute, and deliver the Note, this Loan Agreement, and the other Financing Documents, and that all action on its part for the issuance of the Loan and the execution and delivery of the Note, this Loan Agreement, and the other Financing Documents has been duly and effectively taken and will be duly taken as provided herein, and that the Loan, the Note, this Loan Agreement, and the other Financing Documents are and will be valid and enforceable obligations of the District according to the terms hereof and thereof, except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally, and provided that the application of equitable remedies is subject to the application of equitable principles.

Section 5.02. Laws, Permits, and Obligations. The District will comply in all material respects with all applicable laws, rules, regulations, orders, and directions of any governmental authority and all agreements and obligations binding on the District, noncompliance with which would have a material adverse effect on the District, its financial condition, assets, or ability to perform its obligations under this Loan Agreement or the other Financing Documents; provided that the District may in good faith contest such laws, rules, regulations, orders, and directions and the applicability thereof to the District to the extent that such action would not be likely to have a material adverse effect on the District's ability to perform its obligations hereunder.

Section 5.03. Tax-Exempt Reissuance. It is understood and agreed that initially, and until such time (if at all) that the Tax-Exempt Reissuance Date occurs with respect to all or any portion of the Loan, interest on the Loan will be included in the gross income of the recipient thereof for federal income tax purposes and, subject to the applicability of the Default Rate, the Loan will bear interest at a Base Rate determined in accordance with clauses (a) or (c)(ii) of the definition of Base Rate, as applicable. A Tax-Exempt Reissuance Date may occur with respect to all or any portion of the Loan. A Tax-Exempt Reissuance Date requires the delivery of a Tax-Exempt Reissuance Opinion, which is subject to the execution and delivery by the District of an Internal Revenue Service an IRS Form 8038-G (or similar form which may be required by law as of the applicable Tax-Exempt Reissuance Date), and such other documentation as may be required by Bond Counsel as a condition to delivery of the Tax-Exempt Reissuance Opinion. Upon the occurrence of the Tax-Exempt Reissuance Date, subject to the applicability of the Default Rate,

the Loan will bear interest at a Base Rate determined in accordance with clauses (b) or (c)(i) of the definition of Base Rate, as applicable, subject to clause (d) of the definition of Base Rate. The District may take such actions as it may deem appropriate in order to cause the Tax-Exempt Reissuance Date with respect to all or any portion of the Loan to occur, but shall not be obligated to do so. Accordingly, it is possible that interest on the Loan will continue to be included in the gross income of the recipient thereof for federal income tax purposes, and the Loan will bear interest at a Base Rate determined in accordance with clauses (a) or (c)(ii) of the definition of Base Rate, as applicable, until paid in full (subject to the applicability of the Default Rate).

Section 5.04. Tax Covenants.

(a) The provisions of this Section 5.04 will be applicable only if and to the extent a Tax-Exempt Reissuance Opinion is issued with respect to any portion of the Loan and will be applicable only to the portion of the Loan (which may be the entire Loan) which is the subject of such Tax-Exempt Reissuance Opinion.

(b) On and after a Tax-Exempt Reissuance Date, the District shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Loan shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(c) On and after a Tax-Exempt Reissuance Date, the District shall not use or permit the use of any proceeds of the Loan or any funds of the District, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause the Loan to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the District shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The District shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Loan. In the event that at any time the District is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by or on behalf of the Bank or held by the District under this Agreement, the District shall so restrict or limit the yield on such investment or shall so instruct the Bank, in a detailed certificate, and the Bank shall take such action as may be necessary in accordance with such instructions.

(d) On and after a Tax-Exempt Reissuance Date, the District specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(e) On and after a Tax-Exempt Reissuance Date, the covenants contained in this Section shall continue in effect until the Note is fully paid, satisfied, and discharged.

(f) Upon a Tax-Exempt Reissuance Date, if applicable law permits such designation at such time, the District designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code.

Section 5.05. Bonding and Insurance. The District shall carry general liability coverage, workers’ compensation, public liability, and such other forms of insurance on insurable District

property upon the terms and conditions, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations. In addition, each District official or other Person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

Section 5.06. Other Liabilities. The District shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Section 5.07. Proper Books and Records. The District shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to the District, the Pledged Revenue, and all of the funds and accounts established or maintained pursuant to any of the Financing Documents. The District shall (a) maintain accounting records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; and (b) provide the Bank with such information concerning the business affairs and financial condition (including insurance coverage) of District as the Bank may request.

Section 5.08. Reporting Requirements. The District will provide the Bank with the following information, and except as otherwise provided herein, it shall not be necessary for the Bank to request the same.

(a) The District shall provide the following to the Bank at the times and in the manner provided below:

(i) as soon as available, but not later than September 30 of each Fiscal Year, the District shall furnish to the Bank its audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by a firm of Certified Public Accountants selected by the District and satisfactory to the Bank;

(ii) as soon as available, but in no event later than February 15 of each Fiscal Year, the District shall furnish to the Bank the District's annual budget as adopted for the subsequent Fiscal Year and, shall furnish a copy of any amendments thereto within thirty days of adoption by the District, which budget shall include as separate line items all projected Pledged Revenue expected to be received in such Fiscal Year;

(iii) promptly upon certification of the Required Mill Levy by the District to the County each year but in no event later than December 31 of each Fiscal Year, the District shall furnish to the Bank a copy of the certification setting forth the amount of such Required Mill Levy so certified;

(iv) as soon as available, but in no event later than September 30 of each year unless extended or modified by the County or the State of Colorado, the District shall furnish to the Bank the preliminary certified "actual value" and assessed valuation of all property subject to the Required Mill Levy (including taxable property within the District and any excluded property subject to the Required Mill Levy) for such calendar year;

(v) as soon as available, but in no event later than December 31 of each year, the District shall furnish to the Bank the final certified assessed valuation of all property subject to the Required Mill Levy (including taxable property within the District and excluded property subject to the Required Mill Levy), as calculated, recorded, and certified by the County assessor on or before December 10 of such calendar year;

(vi) commencing with the calendar quarter ending on December 31, 2022, by the end of the following calendar quarter, the District shall furnish to the Bank quarterly internal financial statements (for the quarterly periods ending March 31, June 30, September 30, December 31, respectively, of each calendar year), showing a statement of revenues and expenses for the District's general fund and all sub funds, an annual budget and a schedule of assets and liabilities of the District, and such other reports or information regarding the collateral securing the obligations of the District hereunder or the assets, financial condition, business, or operations of the District, as the Bank may reasonably request. For the avoidance of doubt, each quarterly report shall be furnished to the Bank by the end of the following calendar quarter (e.g., the report for the calendar quarter ending December 31, 2022 shall be furnished to the Bank by March 31, 2022.)

(b) The District shall promptly notify the Bank of any Event of Default of which the District has actual knowledge, setting forth the details of such Event of Default and any action which the District proposes to take with respect thereto.

(c) The District shall immediately notify the Bank of any resignation of the Custodian.

Section 5.09. Visitation and Examination. Unless otherwise prohibited by law, the District will permit any Person designated by the Bank to visit any of its offices to examine the District's books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances, and accounts with its principal officers, all at such reasonable times and as often as the Bank may reasonably request.

Section 5.10. Further Assurances. The District shall do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such documents supplemental hereto and such further acts, instruments, and transfers as the Bank may reasonably require for the better assuring, transferring, and pledging unto the Bank the Pledged Revenue; provided however, that the District shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

Section 5.11. Debt Service Mill Levy Covenants.

(a) For the purpose of paying the principal of and interest on the Loan, there shall be levied on all taxable property of the District, in addition to all other taxes, direct annual taxes in the amount of the Required Mill Levy, such Required Mill Levy to be imposed in each of the years 2022 to 2051, inclusive (for collection in 2023 to 2052, inclusive), and to the extent necessary to repay any unpaid principal or interest due on the Loan, in each year thereafter until the principal of and interest on the Loan is fully paid, satisfied, and discharged, subject to clause

(b) below. Nothing herein shall be construed to require the District to levy an ad valorem property tax in excess of the Required Mill Levy.

(b) NOTWITHSTANDING ANY OTHER PROVISION HEREIN, THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE REQUIRED MILL LEVY FOR PAYMENT OF THE LOAN AFTER DECEMBER 2056 (FOR COLLECTION IN CALENDAR YEAR 2057).

(c) The foregoing provisions of this Loan Agreement are hereby declared to be the certificate of the Board to the Board of County Commissioners of the County, showing the aggregate amount of taxes to be levied from time to time, as required by the provisions of this Loan Agreement.

(d) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Loan Agreement.

(f) The amounts necessary to pay all costs and expenses incidental to effecting the transactions contemplated under the Financing Documents and paying the Loan are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Loan has been fully paid, satisfied, and discharged.

(g) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the County treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

Section 5.12. Additional Debt. On and after the Closing Date, the District shall not issue any additional Debt, except the Permitted Subordinate Debt, without the prior written consent of the Bank. .

Section 5.13. Continued Existence. The District shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Loan, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules and regulations.

Section 5.14. Restructuring. In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of and interest on the Loan when due, the District shall use commercially reasonable efforts to refinance, refund, or otherwise restructure the Loan so as to avoid or cure such insufficiency.

Section 5.15. District Operations. The District shall manage its finances and day to day operations in an economical and efficient manner and in accordance with all applicable laws, rules, and regulations.

Section 5.16. Enforcement and Collection. The District shall diligently collect all Pledged Revenue and shall take all necessary action to enforce such collection. .

Section 5.17. Material Adverse Action. The District shall not take any action nor consent to any action that would materially adversely affect any portion of the Pledged Revenue or any other component of the collateral securing the obligations of the District hereunder. Without limiting the foregoing, except as it relates to the completion or dedication to governmental entities of public improvements, to the extent permitted by law, the District shall not cooperate with or support the conversion of any real taxable property within the District to tax-exempt status.

Section 5.18. No Change in Financing Documents. The District shall not cancel, terminate, amend, supplement, modify, or waive any of the provisions of the Financing Documents to which it is party or consent to any such cancellation, termination, amendment, supplement, modification, or waiver, without the prior written consent of the Bank. The District shall take no action, nor shall it cause the Custodian to take any action under any of the Financing Documents to which it is a party inconsistent with the rights of the Bank under this Loan Agreement including, without limitation, its obligations to make payments to the Bank hereunder.

Section 5.19. Removal or Appointment of Agents. The Custodian shall not be removed, and no successor Custodian shall be appointed by the District, without the prior written consent of the Bank.

Section 5.20. References to Bank. The District shall not refer to the Bank in any official statement, offering memorandum, or private placement memorandum without the Bank's prior written consent thereto.

Section 5.21. Termination of Loan Agreement. Subject to the immediately following sentence, so long as the District's obligations hereunder remain unpaid or unperformed, the District shall not terminate this Loan Agreement. Notwithstanding any other provision in this Agreement, 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 this 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 this Loan Agreement and the Note shall terminate. Thereafter, the Bank will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Loan remaining unpaid.

Section 5.22. No Exclusion of Property. The District shall take no action that could have the effect of excluding property from the District unless the District determinates in good faith that such action would not have a materially adverse effect upon the amount of Pledged Revenue that would otherwise be collected by the District.

ARTICLE VI

RESERVED

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Loan Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body); provided that no Event of Default will be deemed to have occurred hereunder unless and until the Bank provides written notice of the same (an “**Event of Default Notice**”) to the District and the District fails to remedy the same within 30 days after the Bank has provided the District with such notice thereof:

(a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Loan Agreement;

(b) the District fails to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents, and the District fails to remedy the same within 30 days after the Bank has provided the District with notice thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents which are qualified by the phrase “to the extent permitted by law” or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, non-appealable judgment that such covenants, agreements, or conditions are not permitted by law;

(c) the District fails 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 hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;

(e) (i) the District shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or

similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; or (iii) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i) or (ii) above;

(f) this Loan Agreement, the Custodial Agreement, or any other Financing Document, or any material provision hereof or thereof, 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 hereunder or under the Custodial Agreement shall become subject to any writ, judgment, warrant, attachment, execution, or similar process.

IT IS ACKNOWLEDGED THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE REQUIRED MILL LEVY FOR PAYMENT OF THE LOAN AFTER DECEMBER 2056 (FOR COLLECTION IN CALENDAR YEAR 2057).

Section 7.02. Remedies. Upon the occurrence and during the continuance of any Material Event of Default, the Loan shall bear interest at the Default Rate in accordance with the terms herein. In addition, upon the occurrence of any Event of Default, the Bank at its option, may do any one or more of the following:

(a) exercise any and all remedies available under the Custodial Agreement; or

(b) take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity;

provided however, that notwithstanding the foregoing or anything else herein or in the Custodial Agreement to the contrary: (i) except for the application of the Default Rate, no remedy will lie at law or in equity for any Event of Default consisting solely of the failure of the District to pay the principal of and interest on the Loan when due, it being acknowledged by the Bank that the amount of Pledged Revenue is limited in accordance with the terms hereof and that the District is not obligated to impose an ad valorem mill levy for purposes of payment of the Loan in excess of the Required Mill Levy; provided that the foregoing shall not be construed to prevent the exercise of remedies for any other Event of Default or to impair the Bank's right of setoff hereunder; and (ii) acceleration shall not be an available remedy for an Event of Default.

Section 7.03. Notice to Bank of Default. Notwithstanding any cure period described above, the District will immediately notify the Bank and the Custodian in writing when the District obtains actual knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

Section 7.04. Additional Bank Rights. Upon the occurrence of an Event of Default the Bank may at any time (a) Setoff (as defined below), and (b) take such other steps to protect or preserve the Bank's interest in the Pledged Revenue.

Section 7.05. Credit Balances; Setoff. As additional security for the payment of the obligations described in the Financing Documents (collectively the "Obligations"), the District hereby grants to the Bank a security interest in, a lien on, and an express contractual right to set off against all depository account balances, cash, and any other property of the District now or hereafter in the possession of the Bank, and the right to refuse to allow withdrawals from any account (collectively, "Setoff"). The Bank may, at any time upon the occurrence of an Event of Default hereunder, Setoff against the Obligations whether or not the Obligations (including future payments to be made) are then due, all without any advance or contemporaneous notice or demand of any kind to the District, such notice and demand being expressly waived.

Section 7.06. Delay or Omission No Waiver. No delay or omission of the Bank to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Loan Agreement may be exercised from time to time and as often as may be

Section 7.07. No Waiver of One Default To Affect Another; Remedies Cumulative. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Bank provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Loan Agreement and Relationship to Other Documents. The warranties, covenants, and other obligations of the District (and the rights and remedies of the Bank) that are outlined in this Loan Agreement and the other Financing Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Financing Documents, all terms will be cumulative so as to give the Bank the most favorable rights set forth in the conflicting documents, except that if there is a direct conflict between any preprinted terms and specifically negotiated terms (whether included in an addendum or otherwise), the specifically negotiated terms will control.

Section 8.02. Assignments, Participations, etc. by the Bank. This Loan Agreement and the Note shall be assignable by the Bank to any entity without the consent of the District, provided that the Bank shall not assign or transfer this Loan Agreement or the Note to any Person other than a Person which is an Accredited Investor. Written notice of such assignment or transfer shall be provided by the Bank to the District and the Custodian within 30 days of the date of the assignment or transfer. The Bank agrees that any assignment or transfer in violation of the foregoing shall be null and void and of no force or effect, at the election of the District. In connection with any such assignment or participation, the Bank may disclose to any proposed assignee or participant any

information without the District's consent. Any such assignment or participation is also subject to the following conditions:

(a) The rights, options, powers, and remedies granted in this Loan Agreement and the other Financing Documents will extend to the Bank and to its successors and assigns, will be binding upon the District and its successors and assigns and will be applicable hereto and to all renewals and extensions hereof.

(b) The Bank may collaterally assign and pledge, without the consent of the District, all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned obligations made by the District to the Bank in accordance with the terms of this Loan Agreement shall satisfy the District's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such collateral assignment shall release the Bank from its obligations hereunder.

(c) The Bank may sell to Participants participating interests in its rights and obligations hereunder or under the other Financing Documents; provided however, that (i) the Bank's obligations hereunder shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more Participants shall not reduce or alter the Bank's obligations hereunder or affect in any way the rights or obligations of the District hereunder and the District has the right to continue to deal solely with the Bank. The Bank will give notice of the sale of such participation and the name of the Participant to the District and the Custodian within 30 days of the date of such sale. In the case of any such participation, the Participant shall be entitled to the benefit of Section 8.03 (pertaining to litigation and indemnification) hereof as though it were also the Bank hereunder, and if amounts outstanding under this Loan Agreement are due and unpaid, or has been declared or has become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Loan Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Loan Agreement.

Section 8.03. Litigation/Indemnification. The District agrees, to the extent permitted by law and as set forth herein, to indemnify and hold harmless the Bank and its agents, employees, officers, directors, and controlling Persons, together with any Participant and its agents, employees, officers, directors, and controlling Persons (hereinafter collectively referred to in this Section 8.03 as the "Indemnitees") from and against any and all claims, damages, liabilities, settlements, judgments, losses, legal fees, and costs or expenses incurred (including all reasonable fees and disbursements of the Indemnitees' legal counsel and allocated cost of in house counsel and staff and all of the Indemnitees' reasonable travel and other out of pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (a) the Loan; or (b) the holding or owning by the Bank, the Participant, or their respective nominees of any collateral securing the obligations of the District hereunder; or (c) any matters for which neither the Bank nor any Participant has any liability as set forth under Section 8.16 of this Loan Agreement; provided however, that the District shall not be required to indemnify the Indemnitees

pursuant to clause (c) hereof for any claims, damages, losses, liabilities, settlements, judgments, legal fees, or costs or expenses to the extent proven to be caused by the Bank's willful or negligent failure to abide by the terms of the Loan. Nothing in this Section 8.03 is intended to limit the District's obligations contained in Article II hereof.

If any action, lawsuit, or claim shall be brought or asserted against the Indemnitees in respect of which indemnity may be sought by the Indemnitees from the District under this Section 8.03, the Indemnitees shall promptly notify the District in writing, and the District shall promptly assume the defense thereof, including, but not limited to, the employment of counsel (the selection of which has been approved by the Indemnitees and such approval shall not be unreasonably withheld), the payment of all legal fees and expenses and the right to negotiate and consent to settlement; provided however, that the District shall not settle any such action which may adversely affect the Bank without the Bank's written consent, which consent shall not be unreasonably withheld.

In the event that the Indemnitees shall be advised by counsel experienced in matters of banking or securities laws that the Indemnitees have defenses or causes of action separate from those of the District, or that there is otherwise a conflict of interest, the Indemnitees have the right to employ their own counsel ("Independent Counsel") to defend the Indemnitees against such action at the expense of the District, which shall pay all legal fees and expenses incurred by such Independent Counsel. The Indemnitees' selection of Independent Counsel shall be approved by the District, and such approval shall not be unreasonably withheld. With respect to claims against the Indemnitees defended by Independent Counsel, the Indemnitees have the right to negotiate settlement of any such claims; provided however, that the District shall not be liable for any such settlement effected by the Indemnitees without the written consent of the District, which consent shall not be unreasonably withheld.

The obligations of the District under this Section 8.03 shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the payment in full of all amounts owing to the Bank hereunder. If indemnification pursuant to this Section 8.03 shall be found to be unlawful or invalid for any reason, then the District and each Indemnitee shall, to the extent permitted by law, make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale, and distributions, and statements or omissions in accordance with the respective fault of the District and each Indemnitee.

Section 8.04. Notice of Claims Against Bank; Limitation of Certain Damages. In order to allow the Bank to mitigate any damages to the District from the Bank's alleged breach of its duties under the Financing Documents or any other duty, if any, to the District, the District agrees to give the Bank written notice no later than 10 Business Days after the District knows of any claim or defense it has against the Bank, whether in tort or contract, relating to any action or inaction by the Bank under the Financing Documents, or the transactions related thereto, or of any defense to payment of the obligations of the District hereunder for any reason. The requirement of providing timely notice to the Bank represents the parties' agreed to standard of performance regarding the duty of the Bank to mitigate damages related to claims against the Bank. Notwithstanding any claim that the District may have against the Bank, and regardless of any notice the District may have given the Bank, the Bank will not be liable to the District for indirect, consequential, or special damages arising therefrom, except those damages arising from the Bank's

misconduct, negligence, or bad faith. Notwithstanding the foregoing, it is agreed and understood by the parties that failure by the District to give notice to the Bank under this Section shall not waive any claims of the District nor constitute an Event of Default hereunder, but such failure shall relieve the Bank of any duty to mitigate damages prior to receiving notice.

Section 8.05. Jury Trial Waiver; Dispute Resolution.

To the extent permitted by applicable law, each party waives their respective rights to a trial before a jury in connection with any Dispute (as “Dispute” is hereinafter defined), and all Disputes shall be resolved by a judge sitting without a jury. If a court determines that this provision is not enforceable for any reason and at any time prior to trial of the Dispute, but not later than 30 days after entry of the order determining this provision is unenforceable, any party shall be entitled to move the court for an order compelling arbitration and staying or dismissing such litigation pending arbitration (“Arbitration Order”). If permitted by applicable law, each party also waives the right to litigate in court or an arbitration proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

If a claim, dispute, or controversy arises between the parties hereto with respect to this Loan Agreement, or any related agreements (all of the foregoing, a “Dispute”), and only if a jury trial waiver is not permitted by applicable law or ruling by a court, any of the parties to this Loan Agreement may require that the Dispute be resolved by binding arbitration before a single arbitrator at the request of any party. To the extent permitted by applicable law, by agreeing to arbitrate a Dispute, each party gives up any right that party may have to a jury trial, as well as other rights that party would have in court that are not available or are more limited in arbitration, such as the rights to discovery and to appeal.

Arbitration shall be commenced by filing a petition with, and in accordance with the applicable arbitration rules of, Judicial Arbitration and Mediation Service, Inc. (“JAMS”) or National Arbitration Forum (“NAF”), each an “Administrator”, as selected by the initiating party. If the parties agree, arbitration may be commenced by appointment of a licensed attorney who is selected by the parties and who agrees to conduct the arbitration without an Administrator. If NAF and JAMS both decline to administer arbitration of the Dispute, and if the parties are unable to mutually agree upon a licensed attorney to act as arbitrator with an Administrator, then either party may file a lawsuit (in a court of appropriate venue outside the state of California) and move for an Arbitration Order. The arbitrator, howsoever appointed, shall have expertise in the subject matter of the Dispute. Disputes include matters (i) relating to a deposit account, application for or denial of credit, enforcement of any of the obligations the parties hereto have to each other, compliance with applicable laws and/or regulations, performance or services provided under this Loan Agreement or related agreements by any party, (ii) based on or arising from an alleged tort, or (iii) involving either of employees, agents, affiliates, or assigns of a party. However, Disputes do not include the validity, enforceability, meaning, or scope of this arbitration provision and such matters may be determined only by a court. If a third party is a party to a Dispute, each party to this Loan Agreement will consent to including the third party in the arbitration proceeding for resolving the Dispute with the third party. Venue for the arbitration proceeding shall be at a location determined by mutual agreement of the parties or, if no agreement, in the City and County of Denver, Colorado.

After entry of an Arbitration Order, the non-moving party shall commence arbitration. The moving party shall, at its discretion, also be entitled to commence arbitration but is under no obligation to do so, and the moving party shall not in any way be adversely prejudiced by electing not to commence arbitration. The arbitrator: (i) will hear and rule on appropriate dispositive motions for judgment on the pleadings, for failure to state a claim, or for full or partial summary judgment; (ii) will render a decision and any award applying applicable law; (iii) will give effect to any limitations period in determining any Dispute or defense; (iv) shall enforce the doctrines of compulsory counterclaim, res judicata, and collateral estoppel, if applicable; (v) with regard to motions and the arbitration hearing, shall apply rules of evidence governing civil cases; and (vi) will apply the law of the state specified in the agreement giving rise to the Dispute. Filing of a petition for arbitration shall not prevent any party from (i) seeking and obtaining from a court of competent jurisdiction (notwithstanding ongoing arbitration) provisional or ancillary remedies including but not limited to injunctive relief, property preservation orders, foreclosure, eviction, attachment, replevin, garnishment, and/or the appointment of a receiver, (ii) pursuing non-judicial foreclosure, or (iii) availing itself of any self-help remedies such as setoff and repossession. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration.

Judgment upon an arbitration award may be entered in any court having jurisdiction except that, if the arbitration award exceeds \$4,000,000, any party shall be entitled to a de novo appeal of the award before a panel of three arbitrators. To allow for such appeal, if the award (including Administrator, arbitrator, and attorney's fees and costs) exceeds \$4,000,000, the arbitrator will issue a written, reasoned decision supporting the award, including a statement of authority and its application to the Dispute. A request for de novo appeal must be filed with the arbitrator within 30 days following the date of the arbitration award; if such a request is not made within that time period, the arbitration decision shall become final and binding. On appeal, the arbitrators shall review the award de novo, meaning that they shall reach their own findings of fact and conclusions of law rather than deferring in any manner to the original arbitrator. Appeal of an arbitration award shall be pursuant to the rules of the Administrator or, if the Administrator has no such rules, then the JAMS arbitration appellate rules shall apply.

Arbitration under this provision concerns a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. sec. 1 et seq. This arbitration provision shall survive any termination, amendment, or expiration of this Loan Agreement. If the terms of this provision vary from the Administrator's rules, this arbitration provision shall control.

Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Loan Agreement by, among other things, the mutual waivers, agreements, and certifications in this section.

Section 8.06. Notices.

(a) Except as otherwise provided herein, all notices, certificates, requests, directions or other communications required to be given to any of the Persons set forth below pursuant to any provision of this Loan Agreement shall be in writing, shall be given either in person, forwarded by overnight courier service or by certified or registered first-class mail, and if

mailed, shall be deemed received three (3) days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows: **[PLEASE CONFIRM/CORRECT]**

District: Hawthorn Metropolitan District
2154 E. Commons Avenue
Suite 2000
Centennial, Colorado 80122
Attention: Trisha K. Harris, Esq.
Email: tharris@wbapc.com

Bank: Zions Bancorporation, N.A. d/b/a Vectra Bank
Colorado
2000 S. Colorado Boulevard
Suite 2-1200
Denver, Colorado 80222
Attention: Megan Severs
Email: megan.severs@vectrabank.com

Custodian: Zions Bancorporation, National Association
1001 17th Street, Suite 850
Denver, CO 80202
Telephone: (720) 947-7448
Attention: Emily Stribling
Email: emily.stribling@zionsbancorp.com

With a copy to:
denvercorporatetrust@zionsbancorp.com
and
david.bata@zionsbancorp.com

(b) In lieu of mailed notice to any Person set forth above, the Persons designated above may provide notice by email to any email address set forth above for any other Person designated above, and any such notices shall be deemed received upon receipt by the sender of an email from such Person confirming such receipt, or upon receipt by the sender of such other confirmation of receipt as may be reasonably reliable under the circumstances.

(c) The Persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(d) Where this Loan Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

Section 8.07. Payments. Payments due on the Loan shall be made in lawful money of the United States. All payments may be applied by the Bank to principal, interest and other amounts due under the Note and this Loan Agreement in any order which the Bank elects.

Section 8.08. Applicable Law and Jurisdiction; Interpretation; Severability. This Loan Agreement and all other Financing Documents will be governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Loan Agreement will not affect any other provision. THE DISTRICT AND THE BANK HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN DENVER, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES, OR PROCEEDINGS RELATING TO THIS LOAN AGREEMENT, THE NOTE, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Loan Agreement will affect the Bank's rights to serve process in any manner permitted by law. If any section, paragraph, clause, or provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Loan Agreement, the intent being that the same are severable.

Section 8.09. Copies; Entire Agreement; Modification. The District hereby acknowledges the receipt of a copy of this Loan Agreement and all other Financing Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LOAN AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. THE TERMS OF THIS LOAN AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE SHALL ALSO BE EFFECTIVE WITH RESPECT TO ALL OTHER CREDIT AGREEMENTS NOW IN EFFECT BETWEEN THE DISTRICT AND THE BANK. A MODIFICATION OF ANY OTHER CREDIT AGREEMENT NOW IN EFFECT BETWEEN THE DISTRICT AND THE BANK, WHICH OCCURS AFTER RECEIPT BY THE DISTRICT OF THIS NOTICE, MAY BE MADE ONLY BY ANOTHER WRITTEN INSTRUMENT. ORAL OR IMPLIED MODIFICATIONS TO ANY SUCH CREDIT AGREEMENT IS NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

Section 8.10. Exhibits. All exhibits referred to herein are hereby expressly incorporated by reference.

Section 8.11. No Recourse Against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Public Securities Act, if a member of the Board, or any officer or agent of the District, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the District and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Loan. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfer, the Bank and any Person purchasing or accepting the transfer of the obligation representing the Loan specifically waives any such recourse.

Section 8.12. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Public Securities Act, this Loan Agreement is entered into pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Loan Agreement after delivery for value.

Section 8.13. Limitation of Actions. Pursuant to §11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Loan shall be commenced more than 30 days after the authorization of the Loan.

Section 8.14. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by §11-57-208 of the Supplemental Public Securities Act, this Loan Agreement, the Note, and the Authorizing Resolution. The amounts pledged to the payment of the Loan shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge and the obligation to perform the contractual provisions made in the Financing Documents shall have priority over any and all other obligations and liabilities of the District, except as may be otherwise provided in the Supplemental Public Securities Act, in this Financing Documents, in the Authorizing Resolution, or in any other instrument, but subject to any prior pledges and liens. The lien of such pledge shall be valid, binding, and enforceable as against all Persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such Persons have notice of such liens.

Section 8.15. Waiver of Claims. The District hereby (i) represents that neither the District nor any affiliate or principal of the undersigned has any defenses to or setoffs against any prior indebtedness or other obligations owing by the District, or by the District's affiliates or principals, to the Bank or the Bank's affiliates entered into before the date of this Loan Agreement (the "Obligations"), nor any claims against the Bank or the Bank's affiliates for any matter whatsoever, related or unrelated to the Loan, and (ii) releases the Bank and the Bank's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the District has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to any claims for future performance, including express contractual obligations that mature after the date hereof that are owing to the District by the Bank or the Bank's affiliates. The District acknowledges that the Bank has been induced to enter into or continue the Loan by, among other things, the waivers and releases in this paragraph.

Section 8.16. No Liability. Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without misconduct or negligence, shall be binding upon the District and shall not put the Bank under any resulting liability to the District. The Bank, including its agents, employees, officers, directors, and controlling Persons, shall not have any liability to the District, and the District assumes all risk, responsibility, and liability for (a) the form, sufficiency, correctness, validity, genuineness, falsification, and legal effect of any demands and other documents, instruments, and other papers relating to the Loan even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent, or forged; (b) the general and particular conditions stipulated therein;

(c) the good faith acts of any Person whosoever in connection therewith; (d) failure of any Person (other than the Bank, subject to the terms and conditions hereof) to comply with the terms of the Loan; (e) errors, omissions, interruptions, or delays in transmission or delivery of any messages, by mail, wireless, or otherwise, whether or not they be in code; (f) errors in translation or errors in interpretation of technical terms; (g) for any other consequences arising from causes beyond the Bank's control; or (h) any use of which may be made of the proceeds of the Loan, except to the extent of any direct, as opposed to indirect, consequential, or special damages suffered by the District which direct damages are proven by the District to be caused by the Bank's willful or grossly negligent failure to make lawful payment under the Loan.

Section 8.17. No Waiver; Modifications in Writing. No failure or delay on the part of the Bank in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Bank at law or in equity or otherwise. No amendment, modification, supplement, termination, or waiver of or to any provision of this Loan Agreement, nor consent to any departure by the District therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification, or supplement of or to any provision of this Loan Agreement, and any consent to any departure by the District from the terms of any provision of this Loan Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on the District in any case shall entitle the District to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The Bank shall notify the Custodian in writing of each amendment to this Loan Agreement.

Section 8.18. Payment on Non-Business Days. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement.

Section 8.19. Document Imaging. The Bank shall be entitled, in its sole discretion, to image all or any selection of the Financing Documents, other instruments, documents, items and records governing, arising from or relating to the Loan, and may destroy or archive the paper originals. The District hereby waives any right to insist that the Bank produce paper originals; agrees that such images shall be accorded the same force and effect as the paper originals; and further agrees that the Bank is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or proceedings.

Section 8.20. Further Assurances. The District agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers, and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Loan Agreement or to better assure and confirm unto the Bank its rights, powers, and remedies hereunder and under the Financing Documents.

Section 8.21. Execution in Counterparts; Electronic Signatures. This Loan Agreement may be executed in counterparts, each of which when so executed and delivered shall

be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Loan Agreement. To the fullest extent permitted by applicable law and except for the certificate of authentication on the Note, and instruments of transfer of the Note, as applicable, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Loan Agreement. Without limiting the foregoing, the parties agree that in the event that any individual or individuals who are authorized to execute or consent to this Loan Agreement on behalf of the District or the Bank are not able to be physically present to manually sign this Loan Agreement or any supplement or consent relating thereto, that such individual or individuals are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Loan Agreement or any supplement or consent relating thereto shall carry the full legal force and effect of any original, handwritten signature.

Section 8.22. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 8.23. Headings. Article and Section headings used in this Loan Agreement are for convenience of reference only and shall not affect the construction of this Loan Agreement.

Section 8.24. No Rating, DTC, or CUSIP. The Loan shall not be (i) assigned a separate rating by any rating agency, (ii) registered with the Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP service.

Section 8.25. Integration. This Loan Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Loan Agreement and any agreement, document, or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 8.26. Bank Representation. The Bank hereby represents that it is a "depository institution" and therefore, a "financial institution" within the meaning of §32-1-1101(6)(a)(IV), C.R.S.

Section 8.27. Patriot Act Notice. The Bank hereby notifies the District that pursuant to the requirements of the Patriot Act, it is required to obtain, verify, and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Bank to identify the District in accordance with the Patriot Act. The District hereby agrees that it shall promptly provide such information upon request by the Bank.

Section 8.28. Governmental Immunity. Nothing in this Loan 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

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Loan Agreement as of the date set forth above.

**ZIONS BANCORPORATION, N.A. D/B/A
VECTRA BANK COLORADO**

By: _____
Name: _____
Title: _____

(S E A L)

**HAWTHORN METROPOLITAN
DISTRICT, JEFFERSON COUNTY,
COLORADO**

By: _____
Name: _____
Title: President or Vice President

Attest:
By: _____
Name: _____
Title: Secretary or Assistant Secretary

EXHIBIT A

to

LOAN AGREEMENT

[Form of Note]

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT TO AN “ACCREDITED INVESTOR”, AS THAT TERM IS DEFINED UNDER SECTIONS 3(B) AND (4)(2) OF THE FEDERAL “SECURITIES ACT OF 1933” BY REGULATION ADOPTED THEREUNDER BY THE SECURITIES AND EXCHANGE COMMISSION.

**UNITED STATES OF AMERICA
STATE OF COLORADO, JEFFERSON COUNTY
HAWTHORN METROPOLITAN DISTRICT**

**PROMISSORY NOTE, SERIES 2022
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$[PAR]**

Original Issue Date: July [__], 2022

FOR VALUE RECEIVED, HAWTHORN METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as “Maker”), promises to pay to the order of ZIONS BANCORPORATION, N.A. D/B/A VECTRA BANK COLORADO, and its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee at such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal amount due under that certain Loan Agreement dated July [__], 2022, by and between Maker and Payee (the “Loan Agreement”), in lawful money of the United States of America.

This Note shall be in the principal amount, bear interest, be payable, and mature pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

Amounts received by Payee under this Note shall be applied in the manner provided by the Loan Agreement. All amounts due under this Note shall be payable without setoff, counterclaim, or any other deduction whatsoever by Maker.

Unless payments are made in the required amount in immediately available funds in accordance with the provisions of the Loan Agreement, remittances in payment of all or any part of the amounts due and payable hereunder shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Payee in funds immediately available at the place where this Note is payable (or any other place as Payee, in

Payee's sole discretion, may have established by delivery of written notice thereof to Maker) and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Payee of any payment in an amount less than the amount then due shall be deemed an acceptance on account only and any unpaid amounts shall remain due hereunder, all as more particularly provided in the Loan Agreement.

In the event of nonpayment of this Note, Payee shall be entitled to all remedies under the Loan Agreement.

It is expressly stipulated and agreed to be the intent of Maker and Payee at all times to comply with applicable state law and applicable United States federal law. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under this Note or under the Loan Agreement, or contracted for, charged, taken, reserved, or received with respect to the indebtedness evidenced by this Note, then it is Maker's and Payee's express intent that all excess amounts theretofore collected by Payee be credited on the principal balance of this Note (or, if this Note has been or would thereby be paid in full, refunded to Maker), and the provisions of this Note shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and under the Loan Agreement. All sums paid or agreed to be paid to Payee for the use, forbearance, and detention of the indebtedness evidenced hereby and by the Loan Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the maximum rate permitted under applicable law from time to time in effect and applicable to the indebtedness evidenced hereby for so long as such indebtedness remains outstanding.

Pursuant to the terms of the Loan Agreement and notwithstanding anything therein or herein to the contrary, the Maker is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Maker's obligations hereunder, including all payments of principal and interest, and all of the Maker's obligations under the Loan Agreement and this Note will be deemed defeased and no longer outstanding upon the payment by the Maker of such amount.

BY ACCEPTANCE OF THIS INSTRUMENT, THE OWNER OF THIS NOTE AGREES AND CONSENTS TO ALL OF THE LIMITATIONS IN RESPECT OF THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE CONTAINED HEREIN, IN THE LOAN AGREEMENT, IN THE RESOLUTION OF THE DISTRICT AUTHORIZING THE ISSUANCE OF THIS NOTE, AND IN THE SERVICE PLAN OF THE DISTRICT. SPECIFICALLY, BUT NOT BY WAY OF LIMITATION, THE OWNER OF THIS NOTE REPRESENTS AND AFFIRMS THAT IT IS AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED UNDER SECTIONS 3(B) AND (4)(2) OF THE FEDERAL "SECURITIES ACT OF 1933" BY REGULATION ADOPTED THEREUNDER BY THE SECURITIES AND EXCHANGE COMMISSION.

Maker and any endorsers, sureties, or guarantors hereof jointly and severally waive presentment and demand for payment, protest, and notice of protest and nonpayment, all applicable exemption rights, valuation, and appraisal, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder or in proceeding against any of the rights and collateral securing payment hereof. Maker and any surety, endorser, or guarantor hereof agree (a) that the time for any payments hereunder may be extended from time to time without notice and consent; (b) to the acceptance of further collateral; (c) to the release of any existing collateral for the payment of this Note; (d) to any and all renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note; and (e) that additional makers, endorsers, guarantors, or sureties may become parties hereto all without notice to them and without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note shall affect the liability of Maker under this Note or any endorser or guarantor hereof even though Maker or such endorser or guarantor is not a party to such agreement.

Failure of Payee to exercise any of the options granted herein to Payee upon the happening of one or more of the events giving rise to such options shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other event. The acceptance by Payee of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the options granted herein or in the Loan Agreement to Payee at that time or at any subsequent time or nullify any prior exercise of any such option without the express written acknowledgment of Payee.

Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority, and legal right to execute, deliver, and perform its obligations pursuant to this Note and this Note constitutes the legal, valid, and binding obligation of Maker.

All notices or other communications required or permitted to be given hereunder shall be given in the manner and be effective as specified in the Loan Agreement, directed to the parties at their respective addresses as provided therein.

This Note is governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by federal law.

Pursuant to §11-57-210 of the Colorado Revised Statutes, as amended, this Note is entered into pursuant to and under the authority of, *inter alia*, certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value and shall conclusively impart full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever after delivery for value.

IT IS ACKNOWLEDGED THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE REQUIRED MILL LEVY FOR PAYMENT OF THIS NOTE AFTER DECEMBER 2056 (FOR COLLECTION IN CALENDAR YEAR 2057). FURTHERMORE,

PURSUANT TO THE LOAN AGREEMENT, IN THE EVENT THAT ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THIS NOTE (OR THE LOAN EVIDENCED HEREBY) REMAINS UNPAID AFTER THE APPLICATION OF ALL PLEDGED REVENUE AVAILABLE THEREFOR ON DECEMBER 1, 2057, THE LOAN, THIS NOTE AND ANY LIEN OF THE LOAN AGREEMENT AND THIS 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 THIS NOTE SHALL TERMINATE. THEREAFTER, THE PAYEE WILL HAVE NO RECOURSE TO THE DISTRICT, OR ANY PROPERTY OF THE DISTRICT FOR THE PAYMENT OF ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THE LOAN OR THIS NOTE REMAINING UNPAID.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN DENVER, COLORADO, AND WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS NOTE OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT OR INTERPRETATION THEREOF.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. MAKER REPRESENTS TO PAYEE THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY GIVEN.

THE PROVISIONS OF THIS NOTE MAY BE AMENDED OR REVISED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY MAKER AND PAYEE. THERE ARE NO ORAL AGREEMENTS BETWEEN MAKER AND PAYEE WITH RESPECT TO THE SUBJECT MATTER HEREOF.

IN WITNESS WHEREOF, an authorized representative of Hawthorn Metropolitan District, as Maker, has executed this Note as of the day and year first above written.

(S E A L)

**HAWTHORN METROPOLITAN
DISTRICT, JEFFERSON COUNTY,
COLORADO**

President

ATTEST:

Secretary or Assistant Secretary

EXHIBIT B
to
LOAN AGREEMENT
[BALLOT QUESTIONS]

EXHIBIT C
to
LOAN AGREEMENT
[FORM OF TAX-EXEMPT REISSUANCE OPINION]
[TO BE REVIEWED AND CONFIRMED BY TAX COUNSEL]

September 16, 2022

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

\$(PAR)
Hawthorn Metropolitan District
Jefferson County, Colorado
Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited Tax) General
Obligation
Refunding Loan
Series 2022

Ladies and Gentlemen:

We have acted as bond counsel to Hawthorn Metropolitan District, Jefferson County, Colorado (the “**Issuer**”) in connection with the above-referenced loan (the “**Loan**”), the indebtedness of which is evidenced by a Promissory Note, Series 2022, in the principal amount of \$(PAR) (the “**Note**”), dated July [], 2022 from the Issuer, as maker, to Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (the “**Bank**”). The Loan was incurred by the Issuer pursuant to a Loan Agreement, dated as of July [], 2022 (the “**Loan Agreement**”), by and between the Issuer and the Bank (the Issuer’s repayment obligations under the Note and the Loan Agreement are collectively being referred to herein as the “**Loan Obligation**”). The Loan Obligation was authorized pursuant to a resolution adopted by the Board of Directors (the “**Board**”) of the Issuer on July [], 2022 (the “**Resolution**”). *Capitalized terms used and not defined herein shall have the meanings set forth in the Loan Agreement and the Note.*

The Note bore interest at a Base Rate determined in accordance with paragraph (a) of the definition thereof from the original issuance date of the Note (July [], 2022) until September 16, 2022, the Tax-Exempt Reissuance Date. As of the date hereof, the Note is reissued for federal tax law purposes and bears interest at a Base Rate determined in accordance with paragraphs (b) and (c)(i) of the definition thereof, subject to the applicability of the Default Rate in accordance with the Loan Agreement. This reissuance results in a current refunding of the original Note for federal income tax law purposes. This opinion letter is delivered pursuant to the requirements of Section

5.03 of the Loan Agreement and constitutes the Tax-Exempt Reissuance Opinion required under the Loan Agreement.

The Note matures, bears interest, is payable and is subject to prepayment prior to maturity, in the manner and upon the terms set forth therein and in the Loan Agreement. The Note was offered solely to the Bank who has certified as of the original issuance date of the Note that it is a “financial institution or institutional investor” within the meaning of the Special District Act, constituting Section 32-1-101 *et seq.*, Colorado Revised Statutes, as amended (the “**Special District Act**”) and an “accredited investor” as that term is defined under sections 3(b) and 4(2) of the Securities Act of 1933, as amended, by regulation adopted thereunder by the U.S. Securities and Exchange Commission.

The Loan Agreement provides that the Loan Obligation is a limited tax (convertible to unlimited tax) general obligation of the Issuer and shall be secured solely by a pledge of the Pledged Revenue (subject to the exceptions and limitations provided in the Loan Agreement).

We have examined the law and such certified proceedings and other instruments as we deem necessary to form an appropriate basis for us to render this opinion letter, including, without limitation, portions of the Internal Revenue Code of 1986, as amended (the “**Code**”), relevant to the opinions set forth in paragraphs 4, 5 and 6; the Special District Act; Section 11-57-201 *et seq.*, Colorado Revised Statutes, as amended; an order and decree entered by the District Court for the Jefferson County, Colorado, issued on December 5, 2012, and recorded in the real property records of Jefferson County, Colorado on December 5, 2012, and January 15, 2013; a certified record of the results of an election of the eligible electors of the Issuer held on November 6, 2012; a certified transcript of the record of proceedings of the Board taken preliminary to and in connection with the authorization of the Loan Obligation; a form of the Note; and certificates of the Issuer, specifically including a tax certificate, and of others delivered in connection with the issuance of the Loan Obligation and in connection with the conversion of interest on the Note from taxable to tax-exempt.

In our examination of such proceedings, certificates, consents and other instruments, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We also have assumed the authenticity and completeness of the foregoing certifications and accuracy of the statements of fact contained therein, on which we are relying, and have made no independent investigations thereof.

We have not been engaged and have not undertaken to consider the adequacy of the Pledged Revenue or other financial resources of the Issuer or its ability to provide for payment of the Loan Obligation and we express no opinion herein as to such matters. As to factual matters, we have relied, without independent investigation, upon the representations of the Issuer; Piper Sandler & Co.; the Bank; and other parties contained in certified proceedings, including the Resolution and the Loan Agreement, and in the aforesaid certificates and other instruments. We have also reviewed the opinion of White Bear Ankele Tanaka & Waldron Professional Corporation, counsel to the Issuer, , a copy of which opinion has been delivered to the Bank.

Based on the foregoing, it is our opinion that, as of the date hereof and under existing law:

1. The Loan Agreement and the Note have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery of the Loan Agreement by the Bank, constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms.

2. The Loan Obligation constitutes a valid and binding limited tax (convertible to unlimited tax) general obligation of the Issuer, payable solely from and to the extent of the Pledged Revenue, subject to the limitations set forth in the Loan Agreement.

3. All taxable property of the Issuer is subject to an ad valorem tax levy at the rate and in the amount of the Required Mill Levy, for the purpose of paying the principal of and interest on the Loan Obligation.

4. Interest on the Note is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date hereof, assuming the accuracy of the certifications of the Issuer and continuing compliance by the Issuer and other owners of the Facilities with the requirements of the Code. Interest on the Note is not an item of tax preference for purposes of the federal alternative minimum tax.

5. The Issuer has made certain representations as to the reasonably anticipated amount of “qualified tax exempt obligations,” within the meaning of Section 265(b)(3)(B) of the Code, which it and certain related entities will issue during calendar year 2022. In reliance on these representations, we are of the opinion that the Note is a qualified tax exempt obligation under Section 265(b)(3) of the Code relating to the interest expense deduction permitted by financial institutions. However, such interest will be subject to treatment as a financial institution preference item under Section 291 of the Code.

6. Under existing law, to the extent that interest on the Note is excludable from gross income for federal income tax purposes, such interest is also excludable from gross income for State of Colorado income tax purposes and from the calculation of State of Colorado alternative minimum taxable income. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Note, including whether interest on the Note is exempt from taxation under the laws of any jurisdiction other than the State of Colorado.

Except as provided in paragraphs 4 and 5, we express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Note.

It is to be understood that the rights of the owners of the Note and the enforceability of the Note and the Loan Agreement may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of powers delegated to it by the United States Constitution; and while certain

remedies and other provisions of the Loan Agreement are subject to the aforesaid exceptions and limitations and, therefore, may not be enforceable in accordance with their respective terms, such unenforceability would not preclude the enforcement of the obligations of the Issuer to pay the principal of, and interest on, the Loan Obligation from available Pledged Revenue and other sources provided therefor in the Loan Agreement.

This opinion is issued as of the date hereof, and we assume no obligation to (i) monitor or advise you or any other person of any changes in the foregoing subsequent to the delivery hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the exemption from federal or state income tax of the Note, or the purposes to which the proceeds thereof are to be applied, after the date hereof. Furthermore, we express no opinion as to the validity or enforceability of any fees, charges or other revenue sources that are included in Pledged Revenue, other than the Required Mill Levy.

Certain requirements and procedures contained or referred to in the Loan Agreement and certain other documents executed in connection with the issuance of the Note may be changed and certain actions (including, without limitation, defeasance of the Note) may be taken or omitted in the future if a legal opinion is rendered at the time to the effect that such action will not cause the interest on the Note to be included in the gross income of the owners for federal income tax purposes. This opinion does not address any such actions.

This letter is furnished by us as bond counsel to the Issuer in connection with the conversion of interest on the Note from taxable to tax-exempt. No attorney-client relationship has existed or exists between us and anyone other than the Issuer in connection with such conversion by virtue of this letter.

Very truly yours,

[TO BE SIGNED UPON CONVERSION]

CUSTODIAL AGREEMENT

BETWEEN

**HAWTHORN METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO**

AND

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

RELATING TO:

**A PROMISSORY NOTE, SERIES 2022
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$[PAR]**

DATED AS OF JULY __, 2022

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CUSTODIAL AGREEMENT

This **CUSTODIAL AGREEMENT** (this “**Custodial Agreement**”) is made and dated as of July __, 2022, by and between **HAWTHORN METROPOLITAN DISTRICT, JEFFERSON COUNTY, COLORADO**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association, as custodian (in such capacity, the “**Custodian**”). Capitalized terms used in the following recitals but not defined therein shall have the meanings set forth in this Custodial Agreement.

RECITALS

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

WHEREAS, the District has determined in a resolution dated July __, 2022 (the “**Authorizing Resolution**”) that it is in the best interests of the District, the residents, and taxpayers thereof, to incur a loan in the total aggregate principal amount of \$[PAR] (the “**Loan**”), through the execution of that certain Loan Agreement (the “**Loan Agreement**”) between the District and Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, in its capacity as lender thereunder (the “**Bank**”), and the issuance to the Bank of a promissory note as set forth in the Loan Agreement (the “**Note**”); and

WHEREAS, under the terms of the Authorizing Resolution and the Loan Agreement, certain funds created in connection with the Loan are to be held, invested, and disbursed pursuant to the terms of this Custodial Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained in this Custodial Agreement, the Loan Agreement, and in the Authorizing Resolution, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement. In addition, the following terms as used in this Custodial Agreement shall have the following meanings, unless the context otherwise requires. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

“*Costs of Issuance Fund*” means the “Hawthorn Metropolitan District Costs of Issuance Fund 2022” created pursuant hereto for the purposes described herein.

“*Custodial Fees*” means the amount of the fees and expenses of the Custodian charged or incurred in connection with the performance of its services and duties rendered hereunder, as set forth in the fee schedule provided to the District.

“*Loan Payment Fund*” means the “Hawthorn Metropolitan District Loan Payment Fund 2022” created pursuant hereto for the purposes described herein.

“*Loan Year*” means, initially, the period commencing on the date hereof through and including December 1, 2022, and thereafter, the period from December 2 of any calendar year through and including December 1 of the following calendar year.

“*Owner*” means the registered owner of the Note.

“*Parity Debt*” means any Debt having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Loan. For purposes of this definition, obligations payable in whole or in part from, or having a lien upon, the District’s ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Parity Debt hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District; provided that it is acknowledged by the District that the Loan Agreement restricts the District’s right to issue Debt without the Bank’s prior written consent.

“*Permitted Investments*” means any investment or deposit permissible under then applicable law.

“*Pledged Revenue Fund*” means the “Hawthorn Metropolitan District Pledged Revenue Fund 2022” created pursuant to this Agreement for the purposes described herein.

Section 2. Creation of Funds. The following funds are hereby created and established, each of which shall be administered and maintained by the Custodian in accordance with the provisions hereof:

- (a) the Pledged Revenue Fund;
- (b) the Loan Payment Fund; and
- (c) the Costs of Issuance Fund.

The foregoing funds will be funded on the Closing Date if and to the extent provided in the Loan Agreement. The Custodian is hereby authorized to create further accounts or subaccounts in any of the various funds and accounts established hereunder which are deemed necessary or desirable by the Custodian.

Section 3. Reserved.

Section 4. Pledged Revenue Fund; Flow of Funds. The District shall transfer all amounts comprising Pledged Revenue to the Custodian as soon as may be practicable after the receipt thereof by the District, but no less often than monthly if any Pledged Revenue is received during such month, and the Custodian will credit all such moneys to the Pledged Revenue Fund. The Custodian shall hold all Pledged Revenue in the Pledged Revenue Fund and transfer such amounts on each May 10 and November 10 (or, if not a Business Day, on the next succeeding Business Day), except as otherwise indicated below, in the following order of priority. For purposes of the following: (i) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other, as determined in accordance with the relative amounts due on the Loan and any other Parity Debt in the applicable Loan Year, and (ii) when credits are required to go to funds or accounts which are pledged to the

payment of any Parity Debt approved by the Bank under the Loan Agreement but which are not held by the Custodian under this Custodial Agreement, the Custodian may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made, and in the absence of any such written instructions, the Custodian may assume that no such other funds or accounts are to be funded.

- FIRST: To the Custodian, an amount sufficient to pay the Custodial Fees then due and payable for the then current Loan Year;
- SECOND: To the credit of the Loan Payment Fund, the amounts required by Section 5(b) hereof, and to the credit of any other fund or account established for the periodic payment of any other Parity Debt, the amounts required by the resolutions, indentures, contracts, or other documents pertaining to or authorizing the issuance of such other Parity Debt; and
- THIRD: To the credit of any surplus fund or account established as additional security for the payment of any other Parity Debt, the amounts required by the resolutions, indentures, contracts, or other documents pertaining to or authorizing the issuance of such other Parity Debt; and
- FOURTH: If directed in writing by the District (which direction is to be made in the sole discretion of the District), on each November 10 (or, if not a Business Day, on the next succeeding Business Day), to the credit of the Loan Payment Fund, all remaining amounts then on deposit in the Pledged Revenue Fund (or such lesser amount as may be directed by the District), for application to the prepayment of a portion of the Loan on the immediately succeeding December 1, in accordance with Section 2.02(c)(ii) of the Loan Agreement.

Section 5. Loan Payment Fund.

(a) The Custodian shall hold and administer the Loan Payment Fund so long as the Loan is outstanding in whole or in part. The Loan Payment Fund is held for the benefit of the Bank and the Owner of the Note and the money in such fund shall be disbursed only in accordance with this Custodial Agreement.

(b) On the date hereof, the District shall deposit with the Custodian from legally available funds of the District (and not proceeds of the Loan), and the Custodian shall credit to the Loan Payment Fund, the amount of \$[_____] **[ASSUMES AMOUNT TO BE DEPOSITED FROM 2022 TAX COLLECTIONS TO MAKE 12/1/22 PAYMENT]**. Thereafter, the Custodian shall credit to the Loan Payment Fund, in accordance with the priority and manner set forth in Section 4 hereof, an amount of Pledged Revenue which, when combined with other legally available moneys then on deposit in the Loan Payment Fund, is equal to the principal of and interest on the Loan due or coming due in the then current Loan Year and any past due amounts on the Loan.

(c) Moneys in the Loan Payment Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) shall be used by the Custodian solely to pay the principal of and interest on the Loan, in the following order:

- (i) First, on each Interest Payment Date, to the payment of interest then due in connection with the Loan (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and
- (ii) Second, on each Principal Payment Date, to the extent any moneys are remaining in the Loan Payment Fund after the payment of interest in accordance with the foregoing clause (i), to the payment of the principal of the Loan then due, whether due on or before such Principal Payment Date, with overdue principal being paid first; and
- (iii) Third, on each Principal Payment Date, to the extent any moneys are remaining in the Loan Payment Fund after the payment of such interest and scheduled principal due on the Loan in accordance with the foregoing clauses (i) and (ii), to the prepayment of principal of the Loan, in accordance with Section 2.02(c)(ii) of the Loan Agreement.

(d) The payments of principal of and interest on the Loan shall be made by the Custodian in accordance with the provisions of Section 2.02 of the Loan Agreement. The Custodian may request from the Bank, and conclusively rely upon, written confirmation of the amounts to be paid as principal and interest on the Loan. Upon written request of the District, the Custodian will provide the District with an estimate of the Pledged Revenue anticipated to be available to be transferred, if any, from the Pledged Revenue Fund to the Loan Payment Fund in accordance with FOURTH of Section 4 hereof.

Section 6. Reserved.

Section 7. Reserved.

Section 8. Costs of Issuance Fund. The Costs of Issuance Fund shall be administered and maintained by the Custodian in accordance with this Section. On the date hereof, the District shall deposit with the Custodian from proceeds of the Loan, and the Custodian shall credit to the Cost of Issuance Fund, the amount of \$[_____]. The District hereby authorizes and directs the Custodian to disburse amounts in the Costs of Issuance Fund for the payment of the fees, costs, and expenses incurred in connection with the Loan pursuant to invoices provided to the Custodian and in accordance with a closing memorandum signed by an Authorized Officer. The Authorized Officer's signature on such closing memorandum shall constitute authorization to the Custodian to disburse moneys in accordance therewith, and any amounts to be disbursed from the Costs of Issuance Fund in addition to or in excess of the amounts set forth in the aforementioned closing memorandum must be approved in writing by the District prior to disbursement. On the date which is ninety (90) days after the date of the closing and funding of the Loan, the Custodian shall transfer

all amounts then remaining, if any, in the Costs of Issuance Fund to the Loan Payment Fund, and the Costs of Issuance Fund shall thereafter be terminated.

Section 9. Investment of Funds.

(a) The Custodian shall, at the written direction of the District, invest amounts held by it pursuant to this Custodial Agreement only in Permitted Investments. The Custodian may conclusively rely upon the District's determination as to whether an investment is a Permitted Investment, and shall not be responsible for making such determination. The Custodian shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section. The Custodian shall be entitled to assume, absent receipt by the Custodian of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

(b) The interest income derived from the investment and reinvestment of any moneys in any fund held by the Custodian hereunder shall be credited to the fund from which the moneys invested were derived.

(c) The Custodian may make any and all investments permitted by the provisions of this Section through its own investment department or that of its affiliates. As and when any amount invested pursuant to this Section may be needed for disbursement, the Custodian may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds.

(d) The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions in connection with the moneys held hereunder, the parties waive receipt of such confirmations, to the extent permitted by law. The Custodian shall furnish a statement of security transactions on its regular monthly reports.

Section 10. Security.

(a) The District hereby pledges, assigns, and grants to the Bank a first priority security interest in and to all amounts in the funds held by the Custodian under this Custodial Agreement to secure the payment of the principal of and interest on the Loan. The District represents and warrants that such funds are not and shall not be subject to any other lien or encumbrance except as otherwise permitted by the Loan Agreement.

(b) The creation, perfection, enforcement, and priority of the pledge of the funds held by the Custodian for the benefit of the Bank under this Custodial Agreement to secure the payment of the principal of and interest on the Loan shall be governed by §11-57-208 of the Supplemental Public Securities Act, the Loan Agreement, and this Custodial Agreement. The amounts pledged to the payment of such obligations shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein and in the Loan Agreement. The lien of such pledge shall be valid, binding, and enforceable as against all Persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such Persons have notice of such liens.

Section 11. Events of Default. The occurrence of the following shall constitute an “Event of Default” hereunder (subject to any applicable cure period):

- (a) the Custodian’s receipt of written notice from the Bank of the occurrence of any event of default under the Loan Agreement; and
- (b) default in any obligation of the District hereunder.

The District agrees to give written notice of any Event of Default of which it has knowledge to the Custodian promptly upon obtaining such knowledge, and the Custodian shall promptly forward such notice to the Bank.

Section 12. Remedies. While any Event of Default remains uncured, the Bank shall have all of the following rights and remedies, subject however, to any limitations in the Loan Agreement:

- (a) to foreclose its security interest in the funds held hereunder by any available judicial procedure or without judicial process;
- (b) to exercise all rights and remedies available to the Bank upon the occurrence of an event of default under the Loan Agreement;
- (c) to cause the Custodian to transfer all amounts in the funds held hereunder to the Bank pursuant to the terms of this Custodial Agreement and the Loan Agreement; or
- (d) to exercise any and all other rights and remedies that the Bank may have by law or under any applicable agreement, including without limitation, all rights and remedies of a secured party under any applicable commercial code.

Section 13. Cumulative Remedies. The Bank’s and the District’s rights and remedies hereunder, under the Loan Agreement and under the Authorizing Resolution are cumulative and in addition to all rights and remedies provided by law or otherwise from time to time, and each such right or remedy may be exercised concurrently or independently and as often as the Bank or the District deems advisable.

Section 14. No Implied Waivers. No waiver of any default shall be implied from any omission by any party to this Custodial Agreement to take action on account of such default if such default persists or is repeated. No waiver of any default shall affect any default other than the default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of any Financing Document shall be construed as a waiver of any subsequent breach of the same provision.

Section 15. Custodian’s Costs and Expenses. The District shall from time to time, subject to any agreement then in effect with the Custodian, pay the Custodian compensation for its services and reimburse the Custodian for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, legal counsel or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided that the Custodian shall not have any lien for such

compensation or reimbursement against any money held by it in any fund established hereunder, although the Custodian may take whatever legal actions are available to it directly against the District to recover such compensation or reimbursement.

Section 16. Indemnification; No Discretionary Authority.

(a) The District hereby agrees, to the extent permitted by law, to indemnify the Custodian and its agents, employees, officers, and directors for, and to hold it harmless against any loss, liability, or expense incurred in connection with the Custodian's duties hereunder to the extent of the absence of negligence or misconduct on the part of the Custodian, including, without limitation, legal or other fees and expenses arising out of or in connection with the Custodian entering into this Custodial Agreement and carrying out its duties hereunder and costs and expenses of defending itself against any claim of liability or any action for interpleader. The Custodian shall be under no obligation to institute or defend any action, suit, or legal proceeding in connection herewith, unless first indemnified and held harmless to its satisfaction in accordance with the foregoing, except that the Custodian shall not be indemnified against any loss, liability, or expense arising out of its own negligence or willful misconduct. Such indemnity shall survive the termination or discharge of this Custodial Agreement or resignation of the Custodian.

(b) The District and the Custodian acknowledge that, except to the extent set forth in any separate instrument signed by the parties with respect to this Custodial Agreement, the Custodian's duties hereunder do not include any discretionary authority, control, or responsibility with respect to the management or disposition of any asset or funds; that the Custodian has no authority or responsibility to render investment advice with respect to any asset or funds; and that the Custodian is not a fiduciary with respect to the District. In addition, it is agreed that the Custodian shall not be liable for any loss or diminution of assets or funds by reason of investment experience or for its actions taken in reliance upon an instruction from the District. The Custodian shall only be responsible for the performance of such duties as are expressly set forth herein or in written instructions of the District that are not contrary to the provisions of this Custodial Agreement. The Custodian shall exercise reasonable care in the performance of its services hereunder. In no event shall the Custodian be liable for indirect or consequential damages. The Custodian shall not be responsible or liable for any failure or delay in performance of its obligations under this Custodial Agreement arising out of or caused, directly or indirectly, by instructions, actions, or omissions of the District or the Bank or by circumstances beyond the Custodian's reasonable control, including, without limitation, loss or malfunctions of utility, transportation, computer (hardware or software) or communication service; nor shall any such failure or delay give District the right to terminate this Custodial Agreement, it being agreed that the termination of this Custodial Agreement is subject to the Section hereof entitled "Amendment and Termination."

Section 17. Successors and Assigns. Subject to any applicable restrictions on assignment contained herein, in the Loan Agreement, or in the Authorizing Resolution, this Custodial Agreement shall bind and shall inure to the benefit of, the successors and assigns of the District, the Custodian, and the Bank.

Section 18. Notices, Etc.

(a) Except as otherwise provided herein, all notices, certificates, requests, directions or other communications required to be given to any of the Persons set forth below pursuant to any provision of this Custodial Agreement shall be in writing, shall be given either in person, forwarded by overnight courier service, or by first class mail, postage prepaid, and if mailed, shall be deemed received three (3) days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:

Hawthorn Metropolitan District
White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Attention: Trisha K. Harris, Esq.
Email: tharris@wpapc.com

Bank:

Zions Bancorporation, National Association
d/b/a Vectra Bank Colorado
2000 S. Colorado Boulevard
Suite 2-1200
Denver, Colorado 80222
Attention: Megan Severs
Email: megan.severs@vectrabank.com

Custodian:

Zions Bancorporation, National Association
1001 17th Street, Suite 850
Denver, CO 80202
Telephone: (720) 947-7448
Attention: Emily Stribling
Email: emily.stribling@zionsbank.com
With a copy to:
denvercorporatetrust@zionsbancorp.com
and
david.bata@zionsbancorp.com

(b) In lieu of mailed notice to any Person set forth above, the Persons designated above may provide notice by email to any email address set forth above for any other Person designated above and any such notices shall be deemed received upon receipt by the sender of an email transmission from such Person confirming such receipt, or upon receipt by the sender of such other confirmation of receipt as may be reasonably reliable under the circumstances.

(c) The Persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(d) Where this Custodial Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

Section 19. Integration; Modification; Waiver; Third Party Beneficiary. This Custodial Agreement, together with any other documents referred to herein, constitutes the entire agreement among the District, the Custodian, and the Bank with respect to the matters set forth herein. No modification of this Custodial Agreement (including waivers of rights) shall be effective unless in writing and signed by each party hereto. In addition, this Custodial Agreement may not be modified or amended without the prior written consent of the Bank. The Bank is hereby designated as a third party beneficiary of this Custodial Agreement and is entitled to enforce the Custodial Agreement and benefit from the rights and remedies provided to it herein.

Section 20. Counterparts; Electronic Signatures. This document may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. To the fullest extent permitted by applicable law and except for the certificate of authentication on the Note, and instruments of transfer of the Note, as applicable, facsimile or electronically transmitted original signatures shall constitute original signatures for all purposes under this Custodial Agreement. Without limiting the foregoing, the parties agree that any individual or individuals who are authorized to execute or consent to this Custodial Agreement on behalf of the District, the Custodian or the Bank are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Custodial Agreement or any supplement or consent relating thereto shall carry the full legal force and effect of any original, handwritten signature.

Section 21. Severability. In the event any provision of this Custodial Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 22. Time. Time is of the essence in the performance of all obligations under this Custodial Agreement.

Section 23. Governing Law. This Custodial Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Colorado.

Section 24. Waiver of Jury Trial. To the extent permitted by law, each of the parties hereto irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Custodial Agreement or the transactions contemplated hereby.

Section 25. Headings. Section headings used in this Custodial Agreement are for convenience of reference only and shall not affect the construction of this Custodial Agreement.

Section 26. Amendment and Termination.

(a) This Custodial Agreement may be amended only upon written agreement by all of the parties hereto. It is acknowledged that pursuant to the Loan Agreement, any such amendment requires the prior written consent of the Bank.

(b) This Custodial Agreement shall terminate on the date when the District has paid all amounts due and owing to (i) the Bank under the Loan Agreement (as evidenced by a written certification of the Bank to the Custodian, with a copy to the District) and (ii) the Custodian under this Custodial Agreement.

Section 27. Patriot Act Notice. The Custodian hereby notifies the District that pursuant to the requirements of the Patriot Act it is required to obtain, verify, and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Custodian to identify the District in accordance with the Patriot Act. The District hereby agrees that it shall promptly provide such information upon request by the Custodian.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Custodial Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION,
as Custodian**

By: _____

Name: _____

Title: Vice President
Zions Bank Division

(S E A L)

**HAWTHORN METROPOLITAN
DISTRICT, JEFFERSON COUNTY,
COLORADO**

Attest:

By: _____

Name: _____

Title: President

By: _____

Name: _____

Title: Secretary or Assistant Secretary

ACKNOWLEDGEMENT AND CONSENT

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION
DBA VECTRA BANK COLORADO**

By: _____

Name: _____

Title: _____

REFUNDING ESCROW AGREEMENT

Dated as of July [], 2022

Between

HAWTHORN METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO

and

UMB BANK, N.A.,

Relating to

General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A

and

Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B

and

Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C

REFUNDING ESCROW AGREEMENT

THIS REFUNDING ESCROW AGREEMENT (this “**Agreement**”) dated as of July [___], 2022 between HAWTHORN METROPOLITAN DISTRICT, Jefferson County, Colorado (f/k/a Hawthorn Metropolitan District No. 2), a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “**District**”), and UMB BANK, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow agent (the “**Escrow Agent**”).

W I T N E S S E T H:

WHEREAS, the District previously issued its General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, originally issued in the aggregate principal amount of \$6,210,000 of which \$[5,950,000] is presently outstanding (the “**Series 2017A Senior Bonds**”), its Subordinate Limited Tax General Obligation Bonds, Series 2017B, originally issued and presently outstanding in the aggregate principal amount of \$820,000 (the “**Series 2017B Subordinate Bonds**”) and its Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C, originally issued and presently outstanding in the aggregate principal amount of \$928,000 (the “**Series 2017C Junior Lien Bonds**” and, collectively with the Series 2017A Senior Bonds and the 2017B Subordinate Bonds, the “**Refunded Bonds**”); and

WHEREAS, the Series 2017A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust (Senior) dated as of December 1, 2017 (the “**2017A Indenture**”), between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), and the Series 2017B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of December 1, 2017 (the “**2017B Indenture**”), between the District and the Trustee; and the Series 2017C Junior Lien Bonds were issued pursuant to and are secured by an Indenture of Trust (Junior Lien) dated as of December 1, 2017 (the “**2017C Indenture**” and together with the 2017A Indenture and the 2017B Indenture, the “**Indentures**”), between the District and the Trustee; and

WHEREAS, the District is issuing its Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan, Series 2022, in the aggregate principal amount of \$[PRINCIPAL] (the “**Loan**”) pursuant to a Loan Agreement by and between the District and Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, dated as of July [___], 2022 (the “**Loan Agreement**”); and

WHEREAS, the net proceeds of the Loan will be used to (a) redeem the Series 2017A Senior Bonds on December 1, 2022 (the “**2017A Redemption Date**”), (b) redeem the Series 2017B Subordinate Bonds on December 15, 2022 (the “**2017B Redemption Date**”), and (c) redeem the Series 2017C Junior Lien Bonds on December 15, 2022 (the “**2017C Redemption Date**” and together with the 2017A Redemption Date and the 2017B Redemption Date, the “**Redemption Dates**”) finance or refinance certain obligations of the District in accordance with the terms of the Loan Agreement; and

WHEREAS, the parties hereto desire to enter into this Agreement to provide for the defeasance and redemption of the Refunded Bonds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. There is hereby created and established with the Escrow Agent the special and irrevocable Escrow Account designated “Hawthorn Metropolitan District Series 2017 Bonds Escrow Account” (the “**Escrow Account**”), which shall be held as a separate account by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds and which shall be accounted for separately from other accounts of the District or the Escrow Agent.

Section 2. The Escrow Agent hereby acknowledges receipt of the sum of \$[] (representing \$[] from the proceeds of the Loan and \$[] of legally available monies of the District). The Escrow Agent shall apply such amount as follows:

(a) \$[] shall be used to purchase certain United States Government Obligations (the “**Federal Securities**”) described in the special report of a certified public accountant (the “**Sufficiency Report**”), attached hereto as Exhibit A and made a part hereof; and

(b) \$[] shall be held uninvested in the Escrow Account as a beginning cash balance.

Section 3. [], Colorado], certified public accountants, in the Sufficiency Report has verified the mathematical computations performed by Piper Sandler & Co., Denver, Colorado, the placement agent for the Loan, which demonstrate that the cash held in the Escrow Account, together with the maturing Federal Securities and interest to accrue thereon, will provide sufficient funds to (a) pay, when due, debt service on the Series 2017A Senior Bonds prior to and on the 2017A Redemption Date (including \$[] in aggregate principal amount of the Series 2017A Senior Bonds due on or before the 2017A Redemption Date); (b) pay, on the 2017A Redemption Date, the aggregate principal amount of the Series 2017A Senior Bonds being redeemed on the 2017A Redemption Date (\$[]), plus interest (\$[]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the 2017A Redemption Date (\$[]) (collectively, the “**2017A Redemption Price**”), as set forth on Exhibit [I-II] to the Sufficiency Report; (c) pay, on the 2017B Redemption Date, the aggregate principal amount of the Series 2017B Subordinate Bonds being redeemed on the 2017B Redemption Date (\$[]), plus interest (\$[]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the 2017B Redemption Date (\$[]) (collectively, the “**2017B Redemption Price**”), as set forth on Exhibit [I-II] to the Sufficiency Report; and (d) pay, on the 2017C Redemption Date, the aggregate principal amount of the Series 2017C Junior Liens Bonds being redeemed on the 2017C Redemption Date (\$[]), plus interest (\$[]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the 2017C Redemption Date (\$[]) (collectively, the “**2017C Redemption Price**” and together with the 2017A Redemption Price and the 2017B Redemption Price, the “**Redemption Prices**”), as set forth on Exhibit [I-II] to the Sufficiency Report.

Section 4.

(a) The Escrow Agent agrees that, as provided herein, the moneys and Federal Securities deposited in the Escrow Account pursuant to Section 2 hereof will be held in trust for the holders of the Refunded Bonds in accordance with Section 3 hereof. The Escrow Agent shall apply money and the maturing Federal Securities and interest to accrue thereon in the Escrow Account in accordance with the District's instructions set forth in subsection (b) of this Section 4.

(b) The District hereby irrevocably instructs the Escrow Agent, in its capacity as the Trustee, from amounts on deposit in the Escrow Account to (i) pay, when due, debt service on the Series 2017A Senior Bonds prior to and on the 2017A Redemption Date; (ii) redeem on the 2017A Redemption Date, at the 2017A Redemption Price, the Series 2017A Senior Bonds that are not otherwise due on the 2017A Redemption Date; (iii) redeem on the 2017B Redemption Date, at the 2017B Redemption Price, the Series 2017B Subordinate Bonds that are not otherwise due on the 2017B Redemption Date; and (iv) redeem on the 2017C Redemption Date, at the 2017C Redemption Price, the Series 2017C Junior Lien Bonds that are not otherwise due on the 2017C Redemption Date. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of the Federal Securities in accordance with the maturity schedules described in the Sufficiency Report attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Federal Securities in the Escrow Account.

(c) The Series 2017A Senior Bonds that are not due on the 2017A Redemption Date will be called for redemption on the 2017A Redemption Date, at the 2017A Redemption Price. The Series 2017B Subordinate Bonds that are not due on the 2017B Redemption Date will be called for redemption on the 2017B Redemption Date, at the 2017B Redemption Price. The Series 2017C Junior Lien Bonds that are not due on the 2017C Redemption Date will be called for redemption on the 2017C Redemption Date, at the 2017C Redemption Price.

(d) The District hereby directs the Escrow Agent and the Escrow Agent agrees to deliver notices of defeasance of the Refunded Bonds to the registered owners of the Refunded Bonds and to file such notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA), in the forms attached as Exhibit B hereto.

(e) The District hereby gives irrevocable instructions to the Escrow Agent, in its capacity as the Trustee, to provide the notice required by the 2017A Indenture to redeem the Series 2017A Senior Bonds on the 2017A Redemption Date and the Escrow Agent agrees to provide such notice in accordance with Section 5.02 of the 2017A Indenture. The District hereby irrevocably waives any rights under the Series 2017A Senior Bonds or the 2017A Indenture to redeem the Series 2017A Senior Bonds at a date prior to the 2017A Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2017A Senior Bonds.

(f) The District hereby gives irrevocable instructions to the Escrow Agent, in its capacity as the Trustee, to provide the notice required by the 2017B Indenture to redeem the Series 2017B Subordinate Bonds on the 2017B Redemption Date and the Escrow Agent agrees to provide such notice in accordance with Section 5.02 of the 2017B Indenture. The District hereby irrevocably waives any rights under the Series 2017B Subordinate Bonds or the 2017B Indenture to redeem the Series 2017B Subordinate Bonds at a date prior to the 2017B Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2017B Subordinate Bonds.

(g) The District hereby gives irrevocable instructions to the Escrow Agent, in its capacity as the Trustee, to provide the notice required by the 2017C Indenture to redeem the Series 2017C Junior Lien Bonds on the 2017C Redemption Date and the Escrow Agent agrees to provide such notice in accordance with Section 5.02 of the 2017C Indenture. The District hereby irrevocably waives any rights under the Series 2017C Junior Lien Bonds or the 2017C Indenture to redeem the Series 2017C Junior Lien Bonds at a date prior to the 2017C Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2017C Junior Lien Bonds.

Section 5.

(a) Except as provided in Section 2 and Section 6 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Federal Securities.

(b) All uninvested money held at any time in the Escrow Account shall be continuously secured by a pledge of such securities as are permitted by Section 9.10 of Title 12 of the Code of Federal Regulations.

(c) The District hereby agrees that it shall not have any control over the proceeds of the Loan to be deposited to the Escrow Account (whether before or after such proceeds are deposited in the Escrow Account), the Escrow Account, any cash held at any time in the Escrow Account, the Federal Securities or the application thereof.

(d) The Escrow Agent shall immediately notify the District by first class United States mail, postage prepaid, whenever, for any reason, it learns that the funds on hand in the Escrow Account, plus the Federal Securities therein and interest on said Federal Securities, as the same accrues, will be insufficient to pay the Redemption Prices or principal of and interest on the Refunded Bonds, as applicable, in accordance with this Agreement.

Section 6.

(a) At the direction of the District, the Escrow Agent shall sell or redeem the Federal Securities or any portion thereof and reinvest or release the proceeds thereof in different Federal Securities (as defined in the Indentures), together with other moneys held in the Escrow Account (any such direction to sell, redeem, invest or disburse to be

referred to as a “**Subsequent Action**”), provided that the District delivers to the Escrow Agent the following:

(1) A certified copy of the proceedings of the District authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the District.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Loan (on and after the Tax-Exempt Reissuance Date, as such term is defined in the Loan Agreement) or the Refunded Bonds to become includable in gross income for Federal income tax purposes.

(3) An independent report of certified public accountants addressed to the District and the Escrow Agent to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal of and interest on the Refunded Bonds, as applicable, after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) of this Section and Section 18 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 7. On or after the Redemption Date, after payment of the Redemption Prices of and debt service due on all of the Refunded Bonds, any remaining moneys in the Escrow Account not needed to make such payments shall be transferred by the Escrow Agent to the District.

Section 8. The Escrow Account created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Account, including the Federal Securities, until used and applied in accordance herewith.

Section 9. The District acknowledges and agrees to continue to comply with the provisions of the Indentures, as applicable, relative to matters relating to the tax-exempt nature of interest on the Refunded Bonds until the Refunded Bonds are paid in full, including without limitation payment of all rebate amounts which become due and owing to the federal government under the Code, if any.

Section 10. The District shall have the right, during business hours and after reasonable notice, to examine all the Escrow Agent’s records regarding the status of the funds or accounts created pursuant to this Agreement and the details of all income, investments,

reinvestments, redemptions and withdrawals therefrom with respect to the funds or accounts created pursuant to this Agreement.

Section 11. As full consideration for all services to be performed by the Escrow Agent under this Agreement, the District agrees that it shall cause to be paid to the Escrow Agent and the Escrow Agent will receive the sum of \$[___]. The Escrow Agent expressly waives any lien upon or claim against the moneys in the Escrow Account. The obligations of the Escrow Agent hereunder are absolute and unconditional notwithstanding any failure of the District to pay the fees and expenses of the Escrow Agent.

Section 12. This Agreement shall terminate when the debt service on the Refunded Bonds due on or prior to the Redemption Dates and the Redemption Prices have been paid and any remaining moneys have been transferred as provided in Section 7 hereof. The Escrow Agent shall thereupon be released and discharged from its obligations hereunder.

Section 13. This Agreement shall be binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. Any corporation or association into which the Escrow Agent may be merged or any corporation or association resulting from any consolidation to which the Escrow Agent shall be a party or any corporation or association to which the Escrow Agent sells or transfers its corporate trust business as a whole or substantially as a whole, shall be the successor under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or non-performance by the District or any paying agent of any of the District's or paying agent's obligations, or to protect any of the District's rights under any bond documents or any of the District's other contracts with or franchises or privileges from any state, county, municipality, or other governmental agency, or with any corporation or individual; and the Escrow Agent shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligations imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Loan or the Refunded Bonds or any proceedings taken in connection therewith, but they are made solely by the District.

Section 15. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 16. This Agreement shall, to the fullest extent permitted by law, be interpreted, construed and enforced pursuant to the laws of the State of Colorado.

Section 17. This Agreement is made for the sole and exclusive benefit of the parties hereto and the holders of the Refunded Bonds. Nothing contained in this Agreement expressed or implied is intended or shall be construed to confer upon any person, or to give any person other than the parties hereto and the holders of the Refunded Bonds, any right, remedy or claim under or by reason of this Agreement.

Section 18. This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of all of the holders of the unpaid Refunded Bonds at the time such election is made; provided, however, that this Agreement may be amended by the parties without the consent of the holders of the Refunded Bonds, to correct, cure or supplement any ambiguous or defective provision in a manner not inconsistent with the security of the holders of the Refunded Bonds. The Escrow Agent shall be entitled to receive and rely upon an opinion of counsel to the effect that such amendment complies with the provisions of this Section 18.

Section 19. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 20. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts together shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

HAWTHORN METROPOLITAN DISTRICT,
Jefferson County, Colorado

Attest:

(Assistant) Secretary

By _____
President

UMB BANK, N.A., as Escrow Agent

By _____
Authorized Officer

EXHIBIT A

Attach Sufficiency Report

EXHIBIT B

Form of Notice of Defeasance Series 2017A Senior Bonds

**HAWTHORN METROPOLITAN DISTRICT NO. 2
JEFFERSON COUNTY, COLORADO**

**GENERAL OBLIGATION (LIMITED TAX CONVERTIBLE TO UNLIMITED TAX)
REFUNDING BONDS, SERIES 2017A**

NOTICE IS HEREBY GIVEN, that in accordance with a Trust Indenture (Senior) dated as of December 1, 2017 (the “**2017A Indenture**”) with UMB Bank, n.a., as trustee (the “**Series 2017A Bonds Trustee**”), Hawthorn Metropolitan District No. 2, Jefferson County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 5.01 of the 2017A Indenture to place into escrow with UMB Bank, n.a., in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A, dated December 14, 2017, originally issued in the aggregate principal amount of \$6,210,000, of which \$[5,950,000] is outstanding (the “**Series 2017A Senior Bonds**”) on December 1, 2022 (the “**Redemption Date**”). The Series 2017A Senior Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 1, 2032	\$1,635,000	4.500%	420478 AC3
December 1, 2047	\$4,575,000	5.000%	420478 AD1

Such Series 2017A Senior Bonds have been defeased in accordance with Article Seven of the 2017A Indenture and as set forth in a Refunding Escrow Agreement dated as of July [___], 2022 (the “**Escrow Agreement**”) between the District and the Escrow Agent.

On December 1, 2022, the Redemption Date, the Series 2017A Senior Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2017A Senior Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the 2017A Redemption Date (\$[____]). Accrued and unpaid interest on the Series 2017A Senior Bonds in the amount of \$[____] will be paid to the Redemption Date. FROM AND AFTER DECEMBER 1, 2022, INTEREST ON THE SERIES 2017A SENIOR BONDS WILL CEASE TO ACCRUE.

The District and the Series 2017A Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2017A Senior Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2017A Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2022

UMB BANK, N.A., as Series 2017A Bonds
Trustee

By: _____
Authorized Signatory

Form of Notice of Defeasance Series 2017B Subordinate Bonds

**HAWTHORN METROPOLITAN DISTRICT NO. 2
JEFFERSON COUNTY, COLORADO**

**SUBORDINATE LIMITED TAX GENERAL OBLIGATION REFUNDING AND
IMPROVEMENT BONDS, SERIES 2017B**

NOTICE IS HEREBY GIVEN, that in accordance with a Trust Indenture (Subordinate) dated as of December 1, 2017 (the “**2017B Indenture**”) with UMB Bank, n.a., as trustee (the “**Series 2017B Bonds Trustee**”), Hawthorn Metropolitan District No. 2, Jefferson County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 5.01 of the 2017B Indenture to place into escrow with UMB Bank, n.a., in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Subordinate Limited Tax General Obligation Bonds, Series 2017B, dated December 14, 2017, originally issued and presently outstanding in the aggregate principal amount of \$820,000 (the “**Series 2017B Subordinate Bonds**”) on December 15, 2022 (the “**Redemption Date**”). The Series 2017B Subordinate Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 15, 2047	\$820,000	7.250%	420478 AE9

Such Series 2017B Subordinate Bonds have been defeased in accordance with Article Seven of the 2017B Indenture and as set forth in a Refunding Escrow Agreement dated as of July [___], 2022 (the “**Escrow Agreement**”) between the District and the Escrow Agent.

On December 15, 2022, the Redemption Date, the Series 2017B Subordinate Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2017B Subordinate Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[___]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[___]). Interest on the Series 2017B Subordinate Bonds redeemed on the Redemption Date in the amount of \$[___], will be paid to said date. FROM AND AFTER DECEMBER 15, 2022, INTEREST ON THE SERIES 2017B SUBORDINATE BONDS WILL CEASE TO ACCRUE.

The District and the Series 2017B Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2017B Subordinate Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2017B Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2022

UMB BANK, N.A., as Series 2017B Bonds
Trustee

By: _____
Authorized Signatory

Form of Notice of Defeasance Series 2017C Junior Lien Bonds

**HAWTHORN METROPOLITAN DISTRICT NO. 2
JEFFERSON COUNTY, COLORADO**

**LIMITED TAX JUNIOR LIEN SUBORDINATE GENERAL OBLIGATION BONDS,
SERIES 2017C**

NOTICE IS HEREBY GIVEN, that in accordance with a Trust Indenture (Junior Lien) dated as of December 1, 2017 (the “**2017C Indenture**”) with UMB Bank, n.a., as trustee (the “**Series 2017C Bonds Trustee**”), Hawthorn Metropolitan District No. 2, Jefferson County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 5.01 of the 2017C Indenture to place into escrow with UMB Bank, n.a., in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C dated December 14, 2017, originally issued and presently outstanding in the aggregate principal amount of \$928,000 (the “**Series 2017C Junior Lien Bonds**”) on December 15, 2022 (the “**Redemption Date**”). The Series 2017C Junior Lien Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 15, 2051	\$928,000	10.000%	420478 AF6

Such Series 2017C Junior Lien Bonds have been defeased in accordance with Article Seven of the 2017C Indenture and as set forth in a Refunding Escrow Agreement dated as of July [___], 2022 (the “**Escrow Agreement**”) between the District and the Escrow Agent.

On December 15, 2022, the Redemption Date, the Series 2017C Junior Lien Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2017C Junior Lien Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[___]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[___]). Interest on the Series 2017C Junior Lien Bonds redeemed on the Redemption Date in the amount of \$[___], will be paid to said date. FROM AND AFTER DECEMBER 15, 2022, INTEREST ON THE SERIES 2017C JUNIOR LIEN BONDS WILL CEASE TO ACCRUE.

The District and the Series 2017C Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2017C Junior Lien Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2017C Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2022

UMB BANK, N.A., as Series 2017C Bonds
Trustee

By: _____
Authorized Signatory

PLACEMENT AGENT AGREEMENT

This Placement Agent Agreement, dated as of July __, 2022 (this “Agreement”), is entered into by and between Hawthorn Metropolitan District (the “District”), a metropolitan district existing as such under and pursuant to the constitution and laws of the State of Colorado, and Piper Sandler & Co. (the “Agent”).

RECITALS

WHEREAS, the District is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to the constitution and laws of the State of Colorado; and

WHEREAS, the District previously issued its: (i) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2017A (the “2017A Senior Bonds”); (ii) and (ii) Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B (the “2017B Subordinate Bonds”); and (iii) Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2017C (the “2017C Junior Lien Bonds,” and together with 2017A Senior Bonds and the 2017B Subordinate Bonds, the “Refunded Bonds”); and

WHEREAS, the 2017A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust (Senior) dated as of December 1, 2017 (the “2017A Indenture”), between the District and UMB Bank, n.a., as trustee (the “Trustee”), the 2017B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of December 1, 2017 (the “2017B Indenture”), between the District and the Trustee, and the 2017C Junior Lien Bonds were issued pursuant to and are secured by an Indenture of Trust (Junior Lien) dated as of December 1, 2017 (the “2017C Indenture”), between the District and the Trustee; and

WHEREAS, in accordance with the 2017A Indenture, the 2017A Senior Bonds are subject to redemption at the option of the District commencing on December 1, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017B Indenture, the 2017B Subordinate Bonds are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, in accordance with the 2017C Indenture, the 2017C Junior Lien Bonds are subject to redemption at the option of the District commencing on December 15, 2022, for a redemption price equal to the principal amount redeemed, accrued interest thereon to the redemption date, and a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, it has been determined by the Board of Directors of the District (the “Board”) that by entering into and completing a refunding program with respect to all of the Refunded Bonds, the Board can reduce interest costs and effect other economies through such reduction in interest costs and permitting the District to lower its annual debt service mill levy; and

WHEREAS, the District has determined that it is in the best interests of the District, and the residents and taxpayers thereof, that the Refunded Bonds be refunded by the incurrence of indebtedness in the form of a loan; and

WHEREAS, the District has requested that Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (the “Lender”) provide financing for the purpose of paying costs in connection with a refunding of the Refunded Bonds by making available to the District a loan (the “Loan”) pursuant to a Loan Agreement between the District and the Lender (the “Loan Agreement”); and

WHEREAS, the Agent has performed and is continuing to perform certain agreed-upon services as agent of the District in connection with the placement and structuring of the Loan, and the parties desire to enter into this Agreement to acknowledge and confirm such duties and services, to acknowledge certain disclosures contained herein which are required by law, and to confirm the amount of the fee to which the Agent is entitled as compensation for serving as placement agent; and

WHEREAS, this Agreement is intended to be entered into in accordance with Municipal Securities Rulemaking Board (“MSRB”) Rule G-23 to the extent such rule is applicable to this transaction; and

WHEREAS, the Agent is also providing a separate disclosure letter (the “Disclosure Letter”) to the District containing certain disclosures required to comply with MSRB Rule G-17; and

NOW, THEREFORE, for and in consideration of the covenants made herein, the parties hereto hereby agree as follows:

Section 1. Appointment of Agent as Placement Agent; Scope of Services. The District hereby appoints the Agent as placement agent, and the Agent hereby accepts such appointment and agrees to serve as placement agent in connection with the Loan. The parties hereby agree that the Agent’s services as placement agent have been and shall be limited to:

- (a) assisting the District in negotiating the terms of the Loan Agreement and the Loan with the Lender;
- (b) on behalf of the District, discussing with the Lender any financial and other information about the District that is or was provided by the District; and
- (c) providing such certificates as to factual matters as may be reasonably requested by bond counsel to the District.

The District hereby acknowledges that since the time the District requested that the Agent provide assistance in connection with the Loan, the services provided by the Agent to the District

have been consistent with the scope of services set forth in this Section 1. This engagement pertains only to the making of the Loan, and not to any other bonds, notes, loans, or other obligations which may be issued by the District, and any obligations issued or incurred concurrently with the Loan. The District acknowledges that it has made the determination, and also been informed by the Lender, that no disclosure document is necessary or desired in connection with the Loan and, therefore, the Agent's duties shall not include assisting the District in the preparation of such disclosure document or any other disclosure package for use by the Lender in making its decision to make the Loan.

Section 2. MSRB Rule G-23. By signing this Agreement, the District acknowledges and agrees that:

(a) the transaction contemplated by this Agreement will be an arm's length, commercial transaction between the District and the Agent, in which the Agent's primary role will be to arrange for the placement of the Loan.

(b) the Agent has not assumed any fiduciary responsibility and as such is not acting as a financial advisor or municipal advisor to the District with respect to the Loan, the transaction contemplated hereby, or the discussions, undertakings, and procedures leading thereto; and

(c) the Agent has financial and other interests that differ from those of the District.

Section 3. Additional Disclosures Regarding the Placement Agent's Role.

(a) The only obligations that the Agent will have to the District with respect to the Loan and the transactions contemplated hereby are expressly set forth in this Agreement.

(b) The District has consulted and will continue to consult with its own legal, accounting, tax, financial, and other advisors, as applicable, to the extent it deems appropriate.

Section 4. MSRB Rule G-17. Disclosures regarding the Agent's role will be set forth in the Disclosure Letter.

Section 5. Placement Agent Fee. The parties acknowledge and agree that the Agent shall be entitled to the payment by the District of a fee equal to the greater of \$30,000 or 0.5% of the original principal amount of the Loan for performing the services of placement agent in connection with the placement of the Loan. The Agent's fee is contingent on the issuance of the Loan and shall be payable on the date of execution and delivery of the Loan Agreement. The parties also acknowledge and agree that the Agent's counsel shall be entitled to a payment of \$10,000, which is also contingent on the making of the Loan and shall be payable on the date of execution and delivery of the Loan Agreement. The District hereby acknowledges the existence of a conflict of interest arising from the Agent's form of compensation as described in this Section and that the District has been given the opportunity to raise questions and discuss the foregoing with the Agent.

Section 6. Term and Termination. This Agreement shall become effective upon the execution and delivery hereof by the Agent and the District and shall continue in full force and

effect to and including the date of execution and delivery of the Loan Agreement, unless terminated earlier by mutual agreement of the parties.

Section 7. Entire Agreement. It is hereby agreed that this Agreement constitutes the only agreement between the Agent and the District pertaining to the placement of the Loan and shall supersede and replace any previous engagement letters or agreement(s) between the District and the Agent pertaining to such matter. The only obligations the Agent will have to the District with respect to the placement of the Loan are expressly set forth in this Agreement. There are no other prior or contemporaneous oral or written agreements that are not set out in this Agreement. Each party acknowledges and represents that it is not relying on any oral or written promises or representations made by any other party or such party's representative that are not set forth in this Agreement.

Section 8. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other party hereto.

Section 9. District Acknowledgement. The undersigned official of the District has the authority to bind the District by contract and is not a party to any conflict with the Agent.

Section 10. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties hereto have caused this Placement Agent Agreement to be duly executed as of the day and year first above written.

**HAWTHORN METROPOLITAN
DISTRICT**

By: _____

Name: _____

Title: _____

PIPER SANDLER & CO.

By: _____

Name: _____

Title: _____

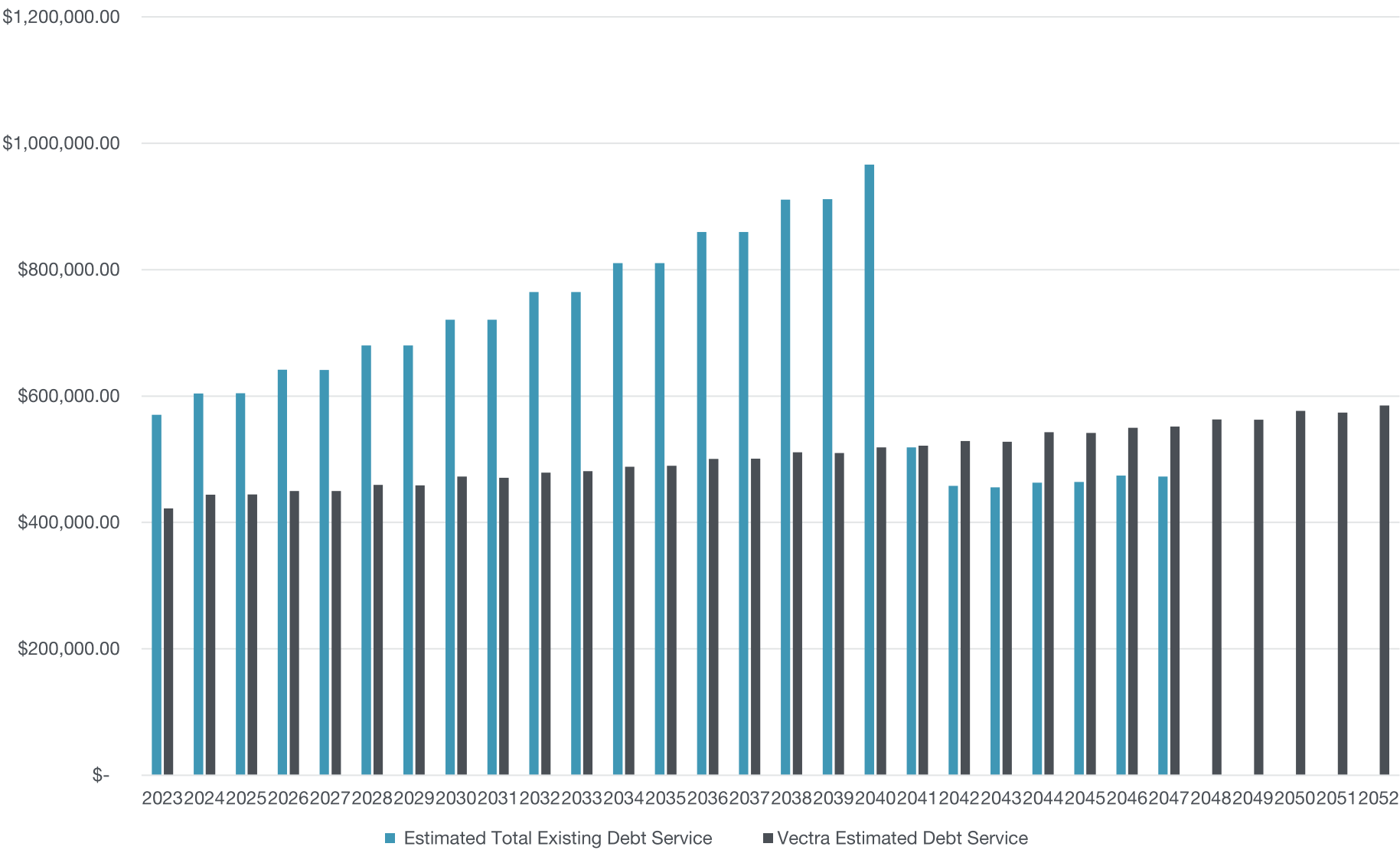
Summary of Existing Debt + Refunding Options

	Existing Debt	Vectra Bank Loan
Series	Series 2017A, 2017B, and 2017C	Series 2022
Date of Issuance	12/14/2017	July 29, 2022
Maturity	Series 2017A: 12/1/2047 Series 2017B: 12/15/2047 Series 2017C: 12/15/2051	20-Years
Amortization	Fully amortizing	30-Years
Tax Status	Tax-Exempt	Taxable Converting to Tax-Exempt ("Cinderella")
Rating	Non-Rated	Non-Rated
Interest Rate	Series 2019A: 4.93% Series 2019B: 7.25% Series 2017C: 10.00%	4.86% until September 2022; 3.89% thereafter ¹
Default Rate	None	Wall Street Journal Prime Rate plus 4%, not to exceed 18%
Prepayment Features	December 1, 2022 @ 103%	10-year call @ par ²
Present Value Savings	N/A	\$1.7mm
Present Value Savings (% of refunded bonds)	N/A	22.8%
Average Mill Levy through Maturity	55.6 mills	42.9 mills

¹Interest rate subject to fluctuation until rate lock is executed.

²Prepayment with excess mill levy revenue will not incur a penalty

Summary of Debt Service



Debt service sized to assume 1% annual inflation growth in assessed value.

Summary of Debt Service

	Existing Debt	Estimated Mill Levy	Vectra Estimated Debt Service	Vectra Estimated Mill Levy
2023	\$570,268	55.6	\$422,401	42.5
2024	604,241	55.6	443,900	42.6
2025	604,445	55.6	444,426	42.6
2026	641,758	55.6	449,758	42.3
2027	641,494	55.6	449,701	42.3
2028	679,960	55.6	459,450	42.3
2029	679,960	55.6	458,615	42.3
2030	720,997	55.6	472,585	42.7
2031	720,997	55.6	470,778	42.5
2032	764,496	55.6	478,776	42.4
2033	764,496	55.6	481,190	42.6
2034	810,605	55.6	488,216	42.4
2035	810,605	55.6	489,658	42.5
2036	859,480	55.6	500,711	42.6
2037	859,480	55.6	500,986	42.6
2038	910,864	55.6	510,872	42.6
2039	911,450	55.6	509,980	42.5
2040	966,400	55.6	518,699	42.4
2041	518,900	55.6	521,640	42.6
2042	457,750	55.6	528,775	42.4
2043	455,750	55.6	527,775	42.3
2044	463,000	55.6	542,925	42.6
2045	464,000	55.6	541,725	42.5
2046	474,000	55.6	549,850	42.3
2047	472,500	55.6	551,850	42.5
2048	--	55.6	562,950	42.5
2049	--		562,700	42.5
2050	--		576,550	42.6
2051	--		573,825	42.4
2052	--		585,200	42.4
Total	16,827,894		15,176,460	

Debt service sized to assume 1% annual inflation growth in assessed value.

Estimated 2023 Tax Savings – Vectra Bank

	Vectra Bank Loan
Estimated Mill Levy for 2023	42.5 mills
<i>Home Values:</i>	
\$700,000	\$659/year
\$750,000	\$706
\$800,000	\$753
\$850,000	\$800
\$900,000	\$847

Next Steps

- Lock Interest Rate (Pay Commitment Fee to Vectra)
- Approve Loan Resolution
- Purchase SLGs (5-days prior to closing)
- Closing

Disclosure

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

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Hawthorn Metropolitan District No. 2
Jefferson County, Colorado

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**Taxable (Converting to Tax-Exempt) Refunding Loan, Series 2022**

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Vectra Bank Term Sheet
20 Year Maturity (30 Year Amortization)

<u>Bond Assumptions</u>	<u>Series 2022</u>
Closing Date	7/29/2022
First Call Date	7/29/2032
Final Maturity	7/29/2042
Amortization Through	12/1/2052
Discharge Date	12/1/2057
Sources of Funds	
Par Amount	8,705,000
Funds on Hand	712,177
Total	9,417,177
Uses of Funds	
Refunding Escrow	8,881,284
Deposit For Payment Due 12/1/2022	285,545
Cost of Issuance	248,800
Rounding	1,547
Total	9,417,177
Debt Features	
Projected Coverage at Mill Levy Cap	1.31x
Tax Status	Convertible
Rating	Non-Rated
Taxable Rate	4.860%
Tax-Exempt Rate	3.890%
Assumed Post-Maturity Rate	4.500%
Annual Trustee Fee	\$4,000
Biennial Reassessment	
Residential	2.00%
<u>Tax Authority Assumptions</u>	
Metropolitan District Revenue	
Residential Assessment Ratio	
Service Plan Gallagherization Base	7.96%
Current Assumption	7.15%
Debt Service Mills	
Service Plan Mill Levy Cap	50.000
Maximum Adjusted Cap	55.663
Average Mill Levy through Maturity	42.902
Specific Ownership Tax	6.00%
County Treasurer Fee	1.50%
Operations	
Mill Levy	20.382

Hawthorn Metropolitan District No. 2
Assessed Value

	Vacant and Improved Land ¹		Residential				Total
	Cumulative Statutory Actual Value	Assessed Value in Collection Year 2 Year Lag 29.00%	Residential Units Delivered	Biennial Reassessment 2.00%	Cumulative Statutory Actual Value	Assessed Value in Collection Year 2 Year Lag 7.15%	Assessed Value in Collection Year 2 Year Lag
2017							6,371,109
2018							7,676,385
2019			-				7,853,416
2020	700		-		138,769,329		8,987,286
2021	700		-	-	138,769,957		8,987,286
2022	700	203	-	2,775,399	141,545,356	9,922,007	9,922,210
2023	700	203	-	-	141,545,356	9,644,512	9,644,715
2024	700	203	-	2,830,907	144,376,263	10,120,493	10,120,696
2025	700	203	-	-	144,376,263	10,120,493	10,120,696
2026	700	203	-	2,887,525	147,263,788	10,322,903	10,323,106
2027	700	203	-	-	147,263,788	10,322,903	10,323,106
2028	700	203	-	2,945,276	150,209,064	10,529,361	10,529,564
2029	700	203	-	-	150,209,064	10,529,361	10,529,564
2030	700	203	-	3,004,181	153,213,245	10,739,948	10,740,151
2031	700	203	-	-	153,213,245	10,739,948	10,740,151
2032	700	203	-	3,064,265	156,277,510	10,954,747	10,954,950
2033	700	203	-	-	156,277,510	10,954,747	10,954,950
2034	700	203	-	3,125,550	159,403,061	11,173,842	11,174,045
2035	700	203	-	-	159,403,061	11,173,842	11,174,045
2036	700	203	-	3,188,061	162,591,122	11,397,319	11,397,522
2037	700	203	-	-	162,591,122	11,397,319	11,397,522
2038	700	203	-	3,251,822	165,842,944	11,625,265	11,625,468
2039	700	203	-	-	165,842,944	11,625,265	11,625,468
2040	700	203	-	3,316,859	169,159,803	11,857,771	11,857,974
2041	700	203	-	-	169,159,803	11,857,771	11,857,974
2042	700	203	-	3,383,196	172,542,999	12,094,926	12,095,129
2043	700	203	-	-	172,542,999	12,094,926	12,095,129
2044	700	203	-	3,450,860	175,993,859	12,336,824	12,337,027
2045	700	203	-	-	175,993,859	12,336,824	12,337,027
2046	700	203	-	3,519,877	179,513,736	12,583,561	12,583,764
2047	700	203	-	-	179,513,736	12,583,561	12,583,764
2048	700	203	-	3,590,275	183,104,011	12,835,232	12,835,435
2049	700	203	-	-	183,104,011	12,835,232	12,835,435
2050	700	203	-	3,662,080	186,766,091	13,091,937	13,092,140
2051	700	203	-	-	186,766,091	13,091,937	13,092,140
2052	700	203	-	3,735,322	190,501,413	13,353,776	13,353,979
Total			-	51,731,456			

1. Vacant land value calculated in year prior to construction as 10% build-out market value

Hawthorn Metropolitan District No. 2
Revenue

	Total	District Mill Levy Revenue			Other Revenue	Expense		Total
	Assessed Value in Collection Year	Debt Mill Levy 55.663 Cap 55.663 Target	Debt Mill Levy Collections 99.50%	Specific Ownership Taxes 6.00%	Interest Income	County Treasurer Fee 1.50%	Annual Trustee Fee	Revenue Available for Debt Service
2017	6,371,109	50.000	226,651	31,120	6,922	(3,320)	(5,502)	255,871
2018	7,676,385	55.277	424,328	39,297	2,818	(6,368)	0	460,075
2019	7,853,416	55.277	433,235	37,004	4,393	(6,500)	(8,000)	460,132
2020	8,987,286	55.663	500,262	37,389	1,637	(7,505)	(8,000)	523,783
2021	8,987,286	55.663	500,259	35,018	300	(7,504)	(8,000)	520,074
2022	9,922,210	55.663	549,538	32,972	0	(8,243)	(8,000)	566,268
2023	9,644,715	42.520	408,039	24,482	0	(6,121)	(4,000)	422,401
2024	10,120,696	42.563	428,612	25,717	0	(6,429)	(4,000)	443,900
2025	10,120,696	42.613	429,116	25,747	0	(6,437)	(4,000)	444,426
2026	10,323,106	42.274	434,218	26,053	0	(6,513)	(4,000)	449,758
2027	10,323,106	42.269	434,164	26,050	0	(6,512)	(4,000)	449,701
2028	10,529,564	42.330	443,492	26,610	0	(6,652)	(4,000)	459,450
2029	10,529,564	42.254	442,693	26,562	0	(6,640)	(4,000)	458,615
2030	10,740,151	42.677	456,062	27,364	0	(6,841)	(4,000)	472,585
2031	10,740,151	42.515	454,333	27,260	0	(6,815)	(4,000)	470,778
2032	10,954,950	42.383	461,986	27,719	0	(6,930)	(4,000)	478,776
2033	10,954,950	42.595	464,297	27,858	0	(6,964)	(4,000)	481,190
2034	11,174,045	42.365	471,020	28,261	0	(7,065)	(4,000)	488,216
2035	11,174,045	42.489	472,400	28,344	0	(7,086)	(4,000)	489,658
2036	11,397,522	42.589	482,977	28,979	0	(7,245)	(4,000)	500,711
2037	11,397,522	42.612	483,240	28,994	0	(7,249)	(4,000)	500,986
2038	11,625,468	42.594	492,700	29,562	0	(7,391)	(4,000)	510,872
2039	11,625,468	42.520	491,846	29,511	0	(7,378)	(4,000)	509,980
2040	11,857,974	42.394	500,190	30,011	0	(7,503)	(4,000)	518,699
2041	11,857,974	42.632	503,004	30,180	0	(7,545)	(4,000)	521,640
2042	12,095,129	42.364	509,832	30,590	0	(7,647)	(4,000)	528,775
2043	12,095,129	42.284	508,876	30,533	0	(7,633)	(4,000)	527,775
2044	12,337,027	42.636	523,373	31,402	0	(7,851)	(4,000)	542,925
2045	12,337,027	42.543	522,225	31,333	0	(7,833)	(4,000)	541,725
2046	12,583,764	42.329	530,000	31,800	0	(7,950)	(4,000)	549,850
2047	12,583,764	42.482	531,914	31,915	0	(7,979)	(4,000)	551,850
2048	12,835,435	42.481	542,536	32,552	0	(8,138)	(4,000)	562,950
2049	12,835,435	42.462	542,297	32,538	0	(8,134)	(4,000)	562,700
2050	13,092,140	42.647	555,550	33,333	0	(8,333)	(4,000)	576,550
2051	13,092,140	42.447	552,943	33,177	0	(8,294)	(4,000)	573,825
2052	13,353,979	42.434	563,828	33,830	0	(8,457)	(4,000)	585,200
Total			17,272,035	1,091,066	16,070	(259,006)	(157,502)	17,962,662

Hawthorn Metropolitan District No. 2

Debt Service

	Total Revenue Available for Debt Service	Net Debt Service		Total	Surplus Fund				Ratio Analysis		
		Series 2017A	Series 2022		Annual Surplus	Funds on Hand Used as a Source	Cumulative Balance \$621,000	Released Revenue	Debt Service Coverage	Coverage at Mill Levy Cap	Senior Debt to Assessed Value
		Dated: 12/14/2017	Dated: 7/29/2022								
		Par: \$6,210,000 Proj: \$0 Escr: \$6,986,296	Par: \$8,705,000 Proj: \$0 Escr: \$8,881,284								
2017	0	0		0	n/a		23,406				
2018	460,075	351,408		351,408	n/a		132,073				
2019	460,132	359,625		359,625	n/a		232,580				
2020	523,783	366,925		366,925	n/a		389,438				
2021	520,074	363,775		363,775	n/a		541,614				
2022	566,268	145,313	285,545	430,858	135,410	384,917			131%	131%	95%
2023	422,401	Refunded in '22	422,401	422,401	0		0	0	100%	131%	85%
2024	443,900		443,900	443,900	0		0	0	100%	131%	86%
2025	444,426		444,426	444,426	0		0	0	100%	131%	81%
2026	449,758		449,758	449,758	0		0	0	100%	132%	80%
2027	449,701		449,701	449,701	0		0	0	100%	132%	77%
2028	459,450		459,450	459,450	0		0	0	100%	132%	76%
2029	458,615		458,615	458,615	0		0	0	100%	132%	73%
2030	472,585		472,585	472,585	0		0	0	100%	131%	71%
2031	470,778		470,778	470,778	0		0	0	100%	131%	68%
2032	478,776		478,776	478,776	0		0	0	100%	132%	66%
2033	481,190		481,190	481,190	0		0	0	100%	131%	63%
2034	488,216		488,216	488,216	0		0	0	100%	132%	61%
2035	489,658		489,658	489,658	0		0	0	100%	131%	58%
2036	500,711		500,711	500,711	0		0	0	100%	131%	55%
2037	500,986		500,986	500,986	0		0	0	100%	131%	52%
2038	510,872		510,872	510,872	0		0	0	100%	131%	50%
2039	509,980		509,980	509,980	0		0	0	100%	131%	46%
2040	518,699		518,699	518,699	0		0	0	100%	132%	43%
2041	521,640		521,640	521,640	0		0	0	100%	131%	40%
2042	528,775		528,775	528,775	0		0	0	100%	132%	37%
2043	527,775		527,775	527,775	0		0	0	100%	132%	34%
2044	542,925		542,925	542,925	0		0	0	100%	131%	31%
2045	541,725		541,725	541,725	0		0	0	100%	131%	27%
2046	549,850		549,850	549,850	0		0	0	100%	132%	24%
2047	551,850		551,850	551,850	0		0	0	100%	131%	20%
2048	562,950		562,950	562,950	0		0	0	100%	131%	16%
2049	562,700		562,700	562,700	0		0	0	100%	131%	12%
2050	576,550		576,550	576,550	0		0	0	100%	131%	8%
2051	573,825		573,825	573,825	0		0	0	100%	131%	4%
2052	585,200		585,200	585,200	0		0	0	100%	131%	0%
Total	17,706,791	1,587,045	15,462,005	17,049,051	135,410		1,319,111	0			

Hawthorn Metropolitan District No. 2
Subordinate Debt Service

	Revenue Available for Debt Service	Refunding Proceeds	Interest Payment 7.250%	Balance of Accrued Interest	Principal Payment	Principal Balance	Call Premium	Debt Service	Released Revenue
								Series 2017B	
								Dated: 12/14/2017 Par: \$820,000 Proj: \$605,400	
12/14/2017									
12/15/2017	-		-	-	-	820,000		-	-
12/15/2018	-		-	59,615	-	820,000		-	-
12/15/2019	-		-	123,387	-	820,000		-	-
12/15/2020	-		-	191,783	-	820,000		-	-
12/15/2021	-		-	265,137	-	820,000		-	-
7/29/2022	-	277,098	277,098	0	-	820,000		277,098	-
12/15/2022	-	904,050	59,450	-	820,000	-	24,600	904,050	
12/15/2023		Refunded in '22							
12/15/2024									
12/15/2025									
12/15/2026									
12/15/2027									
12/15/2028									
12/15/2029									
12/15/2030									
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12/15/2045									
12/15/2046									
12/15/2047									
12/15/2048									
12/15/2049									
12/15/2050									
12/15/2051									
	-		336,548		820,000			1,181,148	(0)

Hawthorn Metropolitan District No. 2
Subordinate Debt Service

	Revenue Available for Debt Service	Refunding Proceeds	Interest Payment 10.000%	Balance of Accrued Interest	Principal Payment	Principal Balance	Call Premium	Debt Service	Released Revenue
								Series 2017C	
								Dated: 12/14/2017 Par: \$928,000 Proj: \$890,880	
12/14/2017									
12/15/2017	-		-	-	-	928,000		-	-
12/15/2018	-		-	93,058	-	928,000		-	-
12/15/2019	-		-	195,164	-	928,000		-	-
12/15/2020	-		-	307,480	-	928,000		-	-
12/15/2021	-		-	431,028	-	928,000		-	-
7/29/2022	-	457,847	457,847	-	-	928,000		457,847	0
12/15/2022	(0)	1,048,640	92,800	-	928,000	-	27,840	1,048,640	
12/15/2023		Refunded in '22							
12/15/2024									
12/15/2025									
12/15/2026									
12/15/2027									
12/15/2028									
12/15/2029									
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12/15/2047									
12/15/2048									
12/15/2049									
12/15/2050									
12/15/2051									
	(0)		550,647		928,000			1,506,487	0

Hawthorn Metropolitan District No. 2
Revenue

	Total	Operations Mill Levy Revenue			Expense	Total
	Assessed Value in Collection Year	O&M Mill Levy 20.382 Cap 20.382 Target	O&M Mill Levy Collections 99.50%	Specific Ownership Taxes 6.00%	County Treasurer Fee 1.50%	Revenue Available for Operations
2017	6,371,109	16.500	105,123	6,276	(1,577)	109,822
2018	7,676,385	20.382	156,460	9,341	(2,347)	163,454
2019	7,853,416	20.241	158,961	9,490	(2,384)	166,067
2020	8,987,286	20.382	183,179	10,936	(2,748)	191,367
2021	8,987,286	20.382	183,179	10,936	(2,748)	191,367
2022	9,922,210	24.337	241,477	14,416	(3,622)	252,271
2023	9,644,715	20.382	196,579	11,736	(2,949)	205,366
2024	10,120,696	20.382	206,280	12,315	(3,094)	215,501
2025	10,120,696	20.382	206,280	12,315	(3,094)	215,501
2026	10,323,106	20.382	210,406	12,561	(3,156)	219,811
2027	10,323,106	20.382	210,406	12,561	(3,156)	219,811
2028	10,529,564	20.382	214,614	12,812	(3,219)	224,207
2029	10,529,564	20.382	214,614	12,812	(3,219)	224,207
2030	10,740,151	20.382	218,906	13,069	(3,284)	228,691
2031	10,740,151	20.382	218,906	13,069	(3,284)	228,691
2032	10,954,950	20.382	223,284	13,330	(3,349)	233,265
2033	10,954,950	20.382	223,284	13,330	(3,349)	233,265
2034	11,174,045	20.382	227,749	13,597	(3,416)	237,930
2035	11,174,045	20.382	227,749	13,597	(3,416)	237,930
2036	11,397,522	20.382	232,304	13,869	(3,485)	242,688
2037	11,397,522	20.382	232,304	13,869	(3,485)	242,688
2038	11,625,468	20.382	236,950	14,146	(3,554)	247,542
2039	11,625,468	20.382	236,950	14,146	(3,554)	247,542
2040	11,857,974	20.382	241,689	14,429	(3,625)	252,493
2041	11,857,974	20.382	241,689	14,429	(3,625)	252,493
2042	12,095,129	20.382	246,523	14,717	(3,698)	257,542
2043	12,095,129	20.382	246,523	14,717	(3,698)	257,542
2044	12,337,027	20.382	251,453	15,012	(3,772)	262,693
2045	12,337,027	20.382	251,453	15,012	(3,772)	262,693
2046	12,583,764	20.382	256,482	15,312	(3,847)	267,947
2047	12,583,764	20.382	256,482	15,312	(3,847)	267,947
2048	12,835,435	20.382	261,612	15,618	(3,924)	273,306
2049	12,835,435	20.382	261,612	15,618	(3,924)	273,306
2050	13,092,140	20.382	266,844	15,931	(4,003)	278,772
2051	13,092,140	20.382	266,844	15,931	(4,003)	278,772
2052	13,353,979	20.382	272,181	16,249	(4,083)	284,347
Total			8,087,331	482,814	(121,310)	8,448,834

SOURCES AND USES OF FUNDS

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

|               |            |
|---------------|------------|
| Dated Date    | 07/29/2022 |
| Delivery Date | 07/29/2022 |

#### Sources:

|                           |                   |
|---------------------------|-------------------|
| Bond Proceeds:            |                   |
| Par Amount                | 8,705,000.00      |
| Other Sources of Funds:   |                   |
| Series 2017A Surplus Fund | 384,917.13        |
| Series 2017A Bond Fund    | 327,259.67        |
|                           | <u>712,176.80</u> |
|                           | 9,417,176.80      |

#### Uses:

|                                   |                     |
|-----------------------------------|---------------------|
| Refunding Escrow Deposits:        |                     |
| Cash Deposit                      | 734,945.90          |
| SLGS Purchases                    | 8,146,338.00        |
|                                   | <u>8,881,283.90</u> |
| Other Fund Deposits:              |                     |
| Deposit For Payment Due 12/1/2022 | 285,545.44          |
| Cost of Issuance:                 |                     |
| Placement Agent                   | 43,525.00           |
| Bond Counsel                      | 60,000.00           |
| District Counsel                  | 45,000.00           |
| Commitment Fee Reimbursement      | 43,525.00           |
| Lender's Counsel                  | 25,000.00           |
| Placement Agent's Counsel         | 10,000.00           |
| External Financial Advisor        | 6,000.00            |
| Custodian                         | 6,000.00            |
| Escrow Verification Report        | 3,500.00            |
| District Accountant               | 2,500.00            |
| Refunded Bond Trustee             | 750.00              |
| Contingency                       | 3,000.00            |
|                                   | <u>248,800.00</u>   |
| Other Uses of Funds:              |                     |
| Additional Proceeds               | 1,547.46            |
|                                   | <u>9,417,176.80</u> |

## BOND SUMMARY STATISTICS

### HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

Dated Date	07/29/2022
Delivery Date	07/29/2022
Last Maturity	12/01/2052
Arbitrage Yield	3.904969%
True Interest Cost (TIC)	3.959698%
Net Interest Cost (NIC)	3.996808%
All-In TIC	4.186567%
Average Coupon	3.996808%
Average Life (years)	19.421
Duration of Issue (years)	13.126
Par Amount	8,705,000.00
Bond Proceeds	8,705,000.00
Total Interest	6,757,005.40
Net Interest	6,757,005.40
Total Debt Service	15,462,005.40
Maximum Annual Debt Service	585,200.00
Average Annual Debt Service	509,643.10
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Loan due 2052	8,705,000.00	100.000	3.997%	19.421
	8,705,000.00			19.421

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,705,000.00	8,705,000.00	8,705,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(248,800.00)	
- Other Amounts			
Target Value	8,705,000.00	8,456,200.00	8,705,000.00
Target Date	07/29/2022	07/29/2022	07/29/2022
Yield	3.959698%	4.186567%	3.904969%

BOND PRICING

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

| <i>Bond Component</i> | <i>Maturity Date</i> | <i>Amount</i> | <i>Rate</i> | <i>Yield</i> | <i>Price</i> | <i>Call Date</i> | <i>Call Price</i> |
|-----------------------|----------------------|---------------|-------------|--------------|--------------|------------------|-------------------|
| Loan due 2052:        |                      |               |             |              |              |                  |                   |
|                       | 12/01/2022           | 160,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2023           | 90,000        | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2024           | 115,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2025           | 120,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2026           | 130,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2027           | 135,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2028           | 150,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2029           | 155,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2030           | 175,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2031           | 180,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2032           | 195,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2033           | 205,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2034           | 220,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2035           | 230,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2036           | 250,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2037           | 260,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2038           | 280,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2039           | 290,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2040           | 310,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2041           | 325,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2042           | 335,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2043           | 330,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2044           | 360,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2045           | 375,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2046           | 400,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2047           | 420,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2048           | 450,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2049           | 470,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2050           | 505,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2051           | 525,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       | 12/01/2052           | 560,000       | 4.860%      | 3.905%       | 100.000      | C 07/29/2032     | 100.000           |
|                       |                      | 8,705,000     |             |              |              |                  |                   |

|                         |              |             |
|-------------------------|--------------|-------------|
| Dated Date              | 07/29/2022   |             |
| Delivery Date           | 07/29/2022   |             |
| First Coupon            | 12/01/2022   |             |
| Par Amount              | 8,705,000.00 |             |
| Original Issue Discount |              |             |
| Production              | 8,705,000.00 | 100.000000% |
| Underwriter's Discount  |              |             |
| Purchase Price          | 8,705,000.00 | 100.000000% |
| Accrued Interest        |              |             |
| Net Proceeds            | 8,705,000.00 |             |

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## NET DEBT SERVICE

### HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Total Debt Service</i>	<i>Net Debt Service</i>
12/01/2022	160,000	4.860%	125,545.44	285,545.44	285,545.44
12/01/2023	90,000	4.860%	332,400.50	422,400.50	422,400.50
12/01/2024	115,000	4.860%	328,899.50	443,899.50	443,899.50
12/01/2025	120,000	4.860%	324,426.00	444,426.00	444,426.00
12/01/2026	130,000	4.860%	319,758.00	449,758.00	449,758.00
12/01/2027	135,000	4.860%	314,701.00	449,701.00	449,701.00
12/01/2028	150,000	4.860%	309,449.50	459,449.50	459,449.50
12/01/2029	155,000	4.860%	303,614.50	458,614.50	458,614.50
12/01/2030	175,000	4.860%	297,585.00	472,585.00	472,585.00
12/01/2031	180,000	4.860%	290,777.50	470,777.50	470,777.50
12/01/2032	195,000	4.860%	283,775.50	478,775.50	478,775.50
12/01/2033	205,000	4.860%	276,190.00	481,190.00	481,190.00
12/01/2034	220,000	4.860%	268,215.50	488,215.50	488,215.50
12/01/2035	230,000	4.860%	259,657.50	489,657.50	489,657.50
12/01/2036	250,000	4.860%	250,710.50	500,710.50	500,710.50
12/01/2037	260,000	4.860%	240,985.50	500,985.50	500,985.50
12/01/2038	280,000	4.860%	230,871.50	510,871.50	510,871.50
12/01/2039	290,000	4.860%	219,979.50	509,979.50	509,979.50
12/01/2040	310,000	4.860%	208,698.50	518,698.50	518,698.50
12/01/2041	325,000	4.860%	196,639.50	521,639.50	521,639.50
12/01/2042	335,000	4.860%	193,774.96	528,774.96	528,774.96
12/01/2043	330,000	4.860%	197,775.00	527,775.00	527,775.00
12/01/2044	360,000	4.860%	182,925.00	542,925.00	542,925.00
12/01/2045	375,000	4.860%	166,725.00	541,725.00	541,725.00
12/01/2046	400,000	4.860%	149,850.00	549,850.00	549,850.00
12/01/2047	420,000	4.860%	131,850.00	551,850.00	551,850.00
12/01/2048	450,000	4.860%	112,950.00	562,950.00	562,950.00
12/01/2049	470,000	4.860%	92,700.00	562,700.00	562,700.00
12/01/2050	505,000	4.860%	71,550.00	576,550.00	576,550.00
12/01/2051	525,000	4.860%	48,825.00	573,825.00	573,825.00
12/01/2052	560,000	4.860%	25,200.00	585,200.00	585,200.00
	8,705,000		6,757,005.40	15,462,005.40	15,462,005.40

DETAILED BOND DEBT SERVICE

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

##### Loan due 2052 (LOAN52)

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|---------------------|
| 12/01/2022               | 160,000          | 4.860%        | 125,545.44      | 285,545.44          |
| 12/01/2023               | 90,000           | 4.860%        | 332,400.50      | 422,400.50          |
| 12/01/2024               | 115,000          | 4.860%        | 328,899.50      | 443,899.50          |
| 12/01/2025               | 120,000          | 4.860%        | 324,426.00      | 444,426.00          |
| 12/01/2026               | 130,000          | 4.860%        | 319,758.00      | 449,758.00          |
| 12/01/2027               | 135,000          | 4.860%        | 314,701.00      | 449,701.00          |
| 12/01/2028               | 150,000          | 4.860%        | 309,449.50      | 459,449.50          |
| 12/01/2029               | 155,000          | 4.860%        | 303,614.50      | 458,614.50          |
| 12/01/2030               | 175,000          | 4.860%        | 297,585.00      | 472,585.00          |
| 12/01/2031               | 180,000          | 4.860%        | 290,777.50      | 470,777.50          |
| 12/01/2032               | 195,000          | 4.860%        | 283,775.50      | 478,775.50          |
| 12/01/2033               | 205,000          | 4.860%        | 276,190.00      | 481,190.00          |
| 12/01/2034               | 220,000          | 4.860%        | 268,215.50      | 488,215.50          |
| 12/01/2035               | 230,000          | 4.860%        | 259,657.50      | 489,657.50          |
| 12/01/2036               | 250,000          | 4.860%        | 250,710.50      | 500,710.50          |
| 12/01/2037               | 260,000          | 4.860%        | 240,985.50      | 500,985.50          |
| 12/01/2038               | 280,000          | 4.860%        | 230,871.50      | 510,871.50          |
| 12/01/2039               | 290,000          | 4.860%        | 219,979.50      | 509,979.50          |
| 12/01/2040               | 310,000          | 4.860%        | 208,698.50      | 518,698.50          |
| 12/01/2041               | 325,000          | 4.860%        | 196,639.50      | 521,639.50          |
| 12/01/2042               | 335,000          | 4.860%        | 193,774.96      | 528,774.96          |
| 12/01/2043               | 330,000          | 4.860%        | 197,775.00      | 527,775.00          |
| 12/01/2044               | 360,000          | 4.860%        | 182,925.00      | 542,925.00          |
| 12/01/2045               | 375,000          | 4.860%        | 166,725.00      | 541,725.00          |
| 12/01/2046               | 400,000          | 4.860%        | 149,850.00      | 549,850.00          |
| 12/01/2047               | 420,000          | 4.860%        | 131,850.00      | 551,850.00          |
| 12/01/2048               | 450,000          | 4.860%        | 112,950.00      | 562,950.00          |
| 12/01/2049               | 470,000          | 4.860%        | 92,700.00       | 562,700.00          |
| 12/01/2050               | 505,000          | 4.860%        | 71,550.00       | 576,550.00          |
| 12/01/2051               | 525,000          | 4.860%        | 48,825.00       | 573,825.00          |
| 12/01/2052               | 560,000          | 4.860%        | 25,200.00       | 585,200.00          |
|                          | 8,705,000        |               | 6,757,005.40    | 15,462,005.40       |

##### Bond Variable Rate Table

| <i>Begin<br/>Date</i> | <i>End<br/>Date</i> | <i>Interest<br/>Rate</i> |
|-----------------------|---------------------|--------------------------|
| 07/29/2022            | 09/15/2022          | 4.860%                   |
| 09/15/2022            | 07/29/2042          | 3.890%                   |
| 07/29/2042            | 12/01/2052          | 4.500%                   |

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## CALL PROVISIONS

HAWTHORN METROPOLITAN DISTRICT NO. 2  
Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022
Advanced Refunding of Series 2017A, B, & C
20-year Maturity, 30-year Amortization

Call Table: CALL

<i>Call Date</i>	<i>Call Price</i>
07/29/2032	100.00

SUMMARY OF BONDS REFUNDED

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

| <i><b>Bond</b></i>           | <i><b>Maturity<br/>Date</b></i> | <i><b>Interest<br/>Rate</b></i> | <i><b>Par<br/>Amount</b></i> | <i><b>Call<br/>Date</b></i> | <i><b>Call<br/>Price</b></i> |
|------------------------------|---------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------|
| Series 2017A, 2017A, TERM32: |                                 |                                 |                              |                             |                              |
|                              | 12/01/2022                      | 4.500%                          | 85,000                       |                             |                              |
|                              | 12/01/2023                      | 4.500%                          | 85,000                       | 12/01/2022                  | 103.000                      |
|                              | 12/01/2024                      | 4.500%                          | 100,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2025                      | 4.500%                          | 105,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2026                      | 4.500%                          | 115,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2027                      | 4.500%                          | 120,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2028                      | 4.500%                          | 135,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2029                      | 4.500%                          | 140,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2030                      | 4.500%                          | 155,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2031                      | 4.500%                          | 160,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2032                      | 4.500%                          | 175,000                      | 12/01/2022                  | 103.000                      |
|                              |                                 |                                 | 1,375,000                    |                             |                              |
| Series 2017A, 2017A, TERM47: |                                 |                                 |                              |                             |                              |
|                              | 12/01/2033                      | 5.000%                          | 185,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2034                      | 5.000%                          | 200,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2035                      | 5.000%                          | 210,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2036                      | 5.000%                          | 230,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2037                      | 5.000%                          | 240,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2038                      | 5.000%                          | 265,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2039                      | 5.000%                          | 275,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2040                      | 5.000%                          | 300,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2041                      | 5.000%                          | 315,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2042                      | 5.000%                          | 340,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2043                      | 5.000%                          | 355,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2044                      | 5.000%                          | 380,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2045                      | 5.000%                          | 400,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2046                      | 5.000%                          | 430,000                      | 12/01/2022                  | 103.000                      |
|                              | 12/01/2047                      | 5.000%                          | 450,000                      | 12/01/2022                  | 103.000                      |
|                              |                                 |                                 | 4,575,000                    |                             |                              |
|                              |                                 |                                 | 5,950,000                    |                             |                              |

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## ESCROW REQUIREMENTS

HAWTHORN METROPOLITAN DISTRICT NO. 2  
Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022
Advanced Refunding of Series 2017A, B, & C
20-year Maturity, 30-year Amortization

Advanced Refunding of Series 2017A (ADV17A)

<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Redemption Premium</i>	<i>Total</i>
12/01/2022	85,000	145,312.50	5,865,000	175,950.00	6,271,262.50
	85,000	145,312.50	5,865,000	175,950.00	6,271,262.50

ESCROW REQUIREMENTS

HAWTHORN METROPOLITAN DISTRICT NO. 2
Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022  
Advanced Refunding of Series 2017A, B, & C  
20-year Maturity, 30-year Amortization

**Advanced Refunding of Series 2017B (ADV17B)**

| <i><b>Period<br/>Ending</b></i> | <i><b>Interest</b></i> | <i><b>Principal<br/>Redeemed</b></i> | <i><b>Redemption<br/>Premium</b></i> | <i><b>Total</b></i> |
|---------------------------------|------------------------|--------------------------------------|--------------------------------------|---------------------|
| 07/29/2022                      | 277,097.69             |                                      |                                      | 277,097.69          |
| 12/15/2022                      | 59,450.00              | 820,000                              | 24,600.00                            | 904,050.00          |
|                                 | 336,547.69             | 820,000                              | 24,600.00                            | 1,181,147.69        |

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## ESCROW REQUIREMENTS

HAWTHORN METROPOLITAN DISTRICT NO. 2  
Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022
Advanced Refunding of Series 2017A, B, & C
20-year Maturity, 30-year Amortization

Advanced Refunding of Series 2017C (ADV17C)

<i>Period Ending</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Redemption Premium</i>	<i>Total</i>
07/29/2022	457,847.42			457,847.42
12/15/2022	92,800.00	928,000	27,840.00	1,048,640.00
	550,647.42	928,000	27,840.00	1,506,487.42

ESCROW DESCRIPTIONS

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

| <i>Type of<br/>Security</i> | <i>Type of<br/>SLGS</i> | <i>Maturity<br/>Date</i> | <i>First Int<br/>Pmt Date</i> | <i>Par<br/>Amount</i> | <i>Rate</i> | <i>Max<br/>Rate</i> |
|-----------------------------|-------------------------|--------------------------|-------------------------------|-----------------------|-------------|---------------------|
| Jul 29, 2022:               |                         |                          |                               |                       |             |                     |
| SLGS                        | Certificate             | 12/01/2022               | 12/01/2022                    | 6,213,595             | 2.710%      | 2.710%              |
| SLGS                        | Certificate             | 12/15/2022               | 12/15/2022                    | 1,932,743             | 2.710%      | 2.710%              |
|                             |                         |                          |                               | 8,146,338             |             |                     |

#### SLGS Summary

|                                    |              |
|------------------------------------|--------------|
| SLGS Rates File                    | 15JUL22      |
| Total Certificates of Indebtedness | 8,146,338.00 |

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## ESCROW STATISTICS

### HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

<i>Total Escrow Cost</i>	<i>Modified Duration (years)</i>	<i>Yield to Receipt Date</i>	<i>Yield to Disbursement Date</i>	<i>Perfect Escrow Cost</i>	<i>Value of Negative Arbitrage</i>	<i>Cost of Dead Time</i>
Global Proceeds Escrow: 8,881,283.90	0.343	2.742512%	2.742512%	8,848,921.59	32,362.30	0.01
8,881,283.90				8,848,921.59	32,362.30	0.01

Delivery date	07/29/2022
Arbitrage yield	3.904969%

SUMMARY OF REFUNDING RESULTS

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

|                                            |               |
|--------------------------------------------|---------------|
| Dated Date                                 | 07/29/2022    |
| Delivery Date                              | 07/29/2022    |
| Arbitrage yield                            | 3.904969%     |
| Escrow yield                               | 2.742512%     |
| Value of Negative Arbitrage                | 32,362.30     |
| Bond Par Amount                            | 8,705,000.00  |
| True Interest Cost                         | 3.959698%     |
| Net Interest Cost                          | 3.996808%     |
| Average Coupon                             | 3.996808%     |
| Average Life                               | 19.421        |
| Par amount of refunded bonds               | 7,698,000.00  |
| PV of prior debt to 07/29/2022 @ 3.904969% | 10,951,607.80 |
| Net PV Savings                             | 1,759,881.17  |
| Percentage savings of refunded bonds       | 22.861538%    |
| Percentage savings of refunding bonds      | 20.216900%    |

## SAVINGS

### HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Present Value to 07/29/2022 Savings @ 3.9049687%</i>	
12/01/2022	230,312.50	285,545.44	(55,232.94)	(54,513.78)
12/01/2023	483,056.71	422,400.50	60,656.21	61,173.25
12/01/2024	565,382.13	443,899.50	121,482.63	116,877.11
12/01/2025	581,567.01	444,426.00	137,141.01	126,726.73
12/01/2026	586,982.50	449,758.00	137,224.50	121,993.96
12/01/2027	593,730.00	449,701.00	144,029.00	123,113.53
12/01/2028	603,194.46	459,449.50	143,744.96	118,215.77
12/01/2029	670,052.88	458,614.50	211,438.38	166,632.91
12/01/2030	875,277.88	472,585.00	402,692.88	304,233.93
12/01/2031	719,024.95	470,777.50	248,247.45	180,993.02
12/01/2032	728,799.95	478,775.50	250,024.45	175,367.23
12/01/2033	766,624.24	481,190.00	285,434.24	192,423.93
12/01/2034	770,249.24	488,215.50	282,033.74	182,956.54
12/01/2035	810,608.49	489,657.50	320,950.99	200,153.18
12/01/2036	820,108.49	500,710.50	319,397.99	191,659.69
12/01/2037	857,984.29	500,985.50	356,998.79	205,979.83
12/01/2038	872,484.29	510,871.50	361,612.79	200,639.14
12/01/2039	908,042.64	509,979.50	398,063.14	212,409.35
12/01/2040	922,435.38	518,698.50	403,736.88	207,189.90
12/01/2041	965,600.00	521,639.50	443,960.50	219,130.53
12/01/2042	628,250.00	528,774.96	99,475.04	47,947.05
12/01/2043	455,750.00	527,775.00	(72,025.00)	(31,971.09)
12/01/2044	463,000.00	542,925.00	(79,925.00)	(34,100.10)
12/01/2045	464,000.00	541,725.00	(77,725.00)	(31,925.46)
12/01/2046	474,000.00	549,850.00	(75,850.00)	(29,994.76)
12/01/2047	472,500.00	551,850.00	(79,350.00)	(30,183.40)
12/01/2048		562,950.00	(562,950.00)	(203,676.78)
12/01/2049		562,700.00	(562,700.00)	(195,794.76)
12/01/2050		576,550.00	(576,550.00)	(192,927.19)
12/01/2051		573,825.00	(573,825.00)	(184,660.95)
12/01/2052		585,200.00	(585,200.00)	(181,103.24)
	17,289,018.03	15,462,005.40	1,827,012.63	2,184,965.07

Savings Summary

PV of savings from cash flow	2,184,965.07
Less: Prior funds on hand	(712,176.80)
Plus: Refunding funds on hand	287,092.90
Net PV Savings	1,759,881.17

PRIOR BOND DEBT SERVICE

HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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#### TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

#### Advanced Refunding of Series 2017A (ADV17A)

| <i>Period<br/>Ending</i> | <i>Principal</i> | <i>Coupon</i> | <i>Interest</i> | <i>Debt Service</i> |
|--------------------------|------------------|---------------|-----------------|---------------------|
| 12/01/2022               | 85,000           | 4.500%        | 145,312.50      | 230,312.50          |
| 12/01/2023               | 85,000           | 4.500%        | 286,800.00      | 371,800.00          |
| 12/01/2024               | 100,000          | 4.500%        | 282,975.00      | 382,975.00          |
| 12/01/2025               | 105,000          | 4.500%        | 278,475.00      | 383,475.00          |
| 12/01/2026               | 115,000          | 4.500%        | 273,750.00      | 388,750.00          |
| 12/01/2027               | 120,000          | 4.500%        | 268,575.00      | 388,575.00          |
| 12/01/2028               | 135,000          | 4.500%        | 263,175.00      | 398,175.00          |
| 12/01/2029               | 140,000          | 4.500%        | 257,100.00      | 397,100.00          |
| 12/01/2030               | 155,000          | 4.500%        | 250,800.00      | 405,800.00          |
| 12/01/2031               | 160,000          | 4.500%        | 243,825.00      | 403,825.00          |
| 12/01/2032               | 175,000          | 4.500%        | 236,625.00      | 411,625.00          |
| 12/01/2033               | 185,000          | 5.000%        | 228,750.00      | 413,750.00          |
| 12/01/2034               | 200,000          | 5.000%        | 219,500.00      | 419,500.00          |
| 12/01/2035               | 210,000          | 5.000%        | 209,500.00      | 419,500.00          |
| 12/01/2036               | 230,000          | 5.000%        | 199,000.00      | 429,000.00          |
| 12/01/2037               | 240,000          | 5.000%        | 187,500.00      | 427,500.00          |
| 12/01/2038               | 265,000          | 5.000%        | 175,500.00      | 440,500.00          |
| 12/01/2039               | 275,000          | 5.000%        | 162,250.00      | 437,250.00          |
| 12/01/2040               | 300,000          | 5.000%        | 148,500.00      | 448,500.00          |
| 12/01/2041               | 315,000          | 5.000%        | 133,500.00      | 448,500.00          |
| 12/01/2042               | 340,000          | 5.000%        | 117,750.00      | 457,750.00          |
| 12/01/2043               | 355,000          | 5.000%        | 100,750.00      | 455,750.00          |
| 12/01/2044               | 380,000          | 5.000%        | 83,000.00       | 463,000.00          |
| 12/01/2045               | 400,000          | 5.000%        | 64,000.00       | 464,000.00          |
| 12/01/2046               | 430,000          | 5.000%        | 44,000.00       | 474,000.00          |
| 12/01/2047               | 450,000          | 5.000%        | 22,500.00       | 472,500.00          |
|                          | 5,950,000        |               | 4,883,412.50    | 10,833,412.50       |

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## PRIOR BOND DEBT SERVICE

HAWTHORN METROPOLITAN DISTRICT NO. 2  
Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022
Advanced Refunding of Series 2017A, B, & C
20-year Maturity, 30-year Amortization

Advanced Refunding of Series 2017B (ADV17B)

<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Debt Service</i>
12/01/2023		111,256.71	111,256.71
12/01/2024		182,407.13	182,407.13
12/01/2025	3,000	195,092.01	198,092.01
12/01/2026	139,000	59,232.50	198,232.50
12/01/2027	156,000	49,155.00	205,155.00
12/01/2028	167,000	37,845.00	204,845.00
12/01/2029	181,000	25,737.50	206,737.50
12/01/2030	174,000	12,615.00	186,615.00
	820,000	673,340.85	1,493,340.85

PRIOR BOND DEBT SERVICE

HAWTHORN METROPOLITAN DISTRICT NO. 2
Jefferson County, Colorado

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**TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022**  
**Advanced Refunding of Series 2017A, B, & C**  
**20-year Maturity, 30-year Amortization**

**Advanced Refunding of Series 2017C (ADV17C)**

| <i><b>Period<br/>Ending</b></i> | <i><b>Principal</b></i> | <i><b>Interest</b></i> | <i><b>Debt Service</b></i> |
|---------------------------------|-------------------------|------------------------|----------------------------|
| 12/01/2028                      |                         | 174.46                 | 174.46                     |
| 12/01/2029                      |                         | 66,215.38              | 66,215.38                  |
| 12/01/2030                      |                         | 282,862.88             | 282,862.88                 |
| 12/01/2031                      |                         | 315,199.95             | 315,199.95                 |
| 12/01/2032                      |                         | 317,174.95             | 317,174.95                 |
| 12/01/2033                      |                         | 352,874.24             | 352,874.24                 |
| 12/01/2034                      |                         | 350,749.24             | 350,749.24                 |
| 12/01/2035                      |                         | 391,108.49             | 391,108.49                 |
| 12/01/2036                      |                         | 391,108.49             | 391,108.49                 |
| 12/01/2037                      |                         | 430,484.29             | 430,484.29                 |
| 12/01/2038                      |                         | 431,984.29             | 431,984.29                 |
| 12/01/2039                      |                         | 470,792.64             | 470,792.64                 |
| 12/01/2040                      | 317,000                 | 156,935.38             | 473,935.38                 |
| 12/01/2041                      | 456,000                 | 61,100.00              | 517,100.00                 |
| 12/01/2042                      | 155,000                 | 15,500.00              | 170,500.00                 |
|                                 | 928,000                 | 4,034,264.68           | 4,962,264.68               |

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## BOND SOLUTION

### HAWTHORN METROPOLITAN DISTRICT NO. 2 Jefferson County, Colorado

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TAXABLE (Converting to Tax-Exempt) REFUNDING LOAN, SERIES 2022 Advanced Refunding of Series 2017A, B, & C 20-year Maturity, 30-year Amortization

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Existing Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Service Coverage</i>
12/01/2022	160,000	285,545	145,313	430,858	566,268	135,410	131.43%
12/01/2023	90,000	422,401		422,401	554,207	131,807	131.20%
12/01/2024	115,000	443,900		443,900	581,755	137,856	131.06%
12/01/2025	120,000	444,426		444,426	581,755	137,329	130.90%
12/01/2026	130,000	449,758		449,758	593,470	143,712	131.95%
12/01/2027	135,000	449,701		449,701	593,470	143,769	131.97%
12/01/2028	150,000	459,450		459,450	605,420	145,970	131.77%
12/01/2029	155,000	458,615		458,615	605,420	146,805	132.01%
12/01/2030	175,000	472,585		472,585	617,608	145,023	130.69%
12/01/2031	180,000	470,778		470,778	617,608	146,830	131.19%
12/01/2032	195,000	478,776		478,776	630,040	151,264	131.59%
12/01/2033	205,000	481,190		481,190	630,040	148,850	130.93%
12/01/2034	220,000	488,216		488,216	642,720	154,505	131.65%
12/01/2035	230,000	489,658		489,658	642,720	153,063	131.26%
12/01/2036	250,000	500,711		500,711	655,654	154,944	130.94%
12/01/2037	260,000	500,986		500,986	655,654	154,669	130.87%
12/01/2038	280,000	510,872		510,872	668,847	157,976	130.92%
12/01/2039	290,000	509,980		509,980	668,847	158,868	131.15%
12/01/2040	310,000	518,699		518,699	682,304	163,605	131.54%
12/01/2041	325,000	521,640		521,640	682,304	160,664	130.80%
12/01/2042	335,000	528,775		528,775	696,030	167,255	131.63%
12/01/2043	330,000	527,775		527,775	696,030	168,255	131.88%
12/01/2044	360,000	542,925		542,925	710,030	167,105	130.78%
12/01/2045	375,000	541,725		541,725	710,030	168,305	131.07%
12/01/2046	400,000	549,850		549,850	724,310	174,460	131.73%
12/01/2047	420,000	551,850		551,850	724,310	172,460	131.25%
12/01/2048	450,000	562,950		562,950	738,876	175,926	131.25%
12/01/2049	470,000	562,700		562,700	738,876	176,176	131.31%
12/01/2050	505,000	576,550		576,550	753,734	177,184	130.73%
12/01/2051	525,000	573,825		573,825	753,734	179,909	131.35%
12/01/2052	560,000	585,200		585,200	768,888	183,688	131.39%
	8,705,000	15,462,005	145,313	15,607,318	20,490,960	4,883,642	