

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

HAWTHORN METROPOLITAN DISTRICT NOS. 1 & 2

Held: Monday the 11th day of August, 2014, at 1:30 p.m.
at: 5740 Olde Wadsworth Boulevard, Arvada,
Colorado 80002

Attendance

The joint special meeting of the Boards of Directors of the Hawthorn Metropolitan District Nos. 1 & 2, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Boards, were in attendance:

Chris Elliott
C. Regan Hauptman
P. Ron Hauptman
Matthew Cavanaugh

Corey Elliott was absent. All director absences are deemed excused unless otherwise specified.

Also present: Zachary P. White, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, LLP, District Accountant; Doug Edwards, Remington Homes; Scott Bristol, Stillwater Community Management; Kenneth Guckenberger, Kutak Rock LLP; and Zachary Bishop, D.A. Davidson & Co.

Call to Order

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

Combined Meeting

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of each District. Where necessary, action taken by an individual District will be so reflected in these minutes.

Conflict of Interest
Disclosures

Mr. White advised the Boards that pursuant to Colorado law, certain disclosures by the directors may be required prior to

taking official action at the meeting. The Directors reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

Written disclosures of conflicts of interest were filed with the Secretary of State at least 72 hours prior to the meeting.

Agenda

Mr. White presented the proposed agenda to the Boards. After consideration, the Boards unanimously approved the agenda.

Public Comment

None.

Administrative Matters

Approval of Minutes from the November 4, 2013 Meeting

The Boards reviewed the minutes from the November 4, 2013 meeting. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

Legal Matters

Consider Approval and Ratification of Proposal from Metrostudy, Inc. for Market Study and CMA Analysis within the Denver Market Area

Mr. White presented the Proposal from Metrostudy, Inc. for Market Study and CMA Analysis within the Denver Market Area to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and ratified the proposal.

Consider Approval and Ratification of Engagement Letter with EVO Consulting Services, Inc. for Cost Verification Services

Mr. White presented the Engagement Letter with EVO Consulting Services, Inc. for Cost Verification Services to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and ratified the engagement letter.

Consider Approval and Ratification of Engagement Letter with D.A. Davidson & Co. for Investment Banking Services

Mr. White presented the Engagement Letter with D.A. Davidson & Co. for Investment Banking Services to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and ratified the engagement letter.

Consider Approval of Infrastructure Acquisition and Reimbursement

Mr. White presented the Infrastructure Acquisition and Reimbursement Agreement with Hawthorn Development Inc. to the Boards for consideration. Following discussion, upon motion

Agreement with Hawthorn Development Inc.

duly made and seconded, the Boards unanimously approved the agreement.

Consider Adoption of Resolution Authorizing the Issuance of General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2014, in a principal amount not to exceed \$5,000,000, approving, ratifying and confirming the execution of certain documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions (District No. 2)

Mr. Guckenberger presented the Board of District No. 2 with the Resolution Authorizing the Issuance of General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2014, in a principal amount not to exceed \$5,000,000, approving, ratifying and confirming the execution of certain documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions. Mr. Guckenberger explained the contents of the resolution and the next steps toward closing. Mr. Bishop noted that the Preliminary Limited Offering Memorandum was posted on August 8, 2014, Bond Pricing is scheduled for August 19, 2014, and the closing is scheduled for August 28, 2014. Following discussion, upon motion duly made and seconded, the Board of District No. 2 approved and adopted the resolution. The Board of District No. 2 authorized Ms. Hunsche to make investment decisions.

Consider Approval of Resolution Regarding Acceptance of District Eligible Costs for Golden Peaks, LLC

The Boards were presented with the Resolution Regarding Acceptance of District Eligible Costs for Golden Peaks, LLC. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and adopted the resolution, pending attachment of the Accountants Certification from CliftonLarsonAllen, LLP, and clarification by Ken Brown regarding the allocation of costs.

Consider Approval of Resolution Regarding Acceptance of District Eligible Costs for Hawthorn Development Inc.

The Boards were presented with the Resolution Regarding Acceptance of District Eligible Costs for Hawthorn Development Inc. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and adopted the resolution, pending attachment of the Accountants Certification from CliftonLarsonAllen, LLP, and clarification by Ken Brown regarding the allocation of costs.

Consider Approval of Resolution Adopting Rules and Regulations

The Boards were presented with the Resolution Adopting Rules and Regulations. Following discussion, upon motion duly made and seconded, the Boards unanimously approved and adopted the resolution, pending final approval from legal counsel.

Discuss Status of Conveyance of Underdrain System to District No. 1 for Maintenance

Director Cavanaugh informed the Board of District No. 1 that the underdrain system is ready for conveyance to District No. 1. He will work with Mr. Bristol on documentation.

Discuss Status of
Conveyance of Tracts to
District No. 1

Director Cavanaugh and Mr. Bristol informed the Board of District No. 1 that they are still working on the documentation necessary for the conveyance of tracts.

Discuss and Consider
Ratification of 2013 Annual
Report

Mr. White presented the 2013 Annual Report to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously ratified the 2013 Annual Report.

Financial Matters

Unaudited Financial
Report/Claims Payable
(District No. 1)

Ms. Hunsche presented the Unaudited Financial Statements for the period ending June 30, 2014 to the Board of District No. 1 for consideration. Following discussion, upon motion duly made and seconded, the Board of District No. 1 unanimously accepted the Unaudited Financial Statements.

Ms. Hunsche presented the claims payable to the Board of District No. 1 for ratification. Following discussion, upon motion duly made and seconded, the Board of District No. 1 unanimously ratified the claims payable.

Consider Ratification of
2013 Audit Exemption
Applications

Ms. Hunsche presented the 2013 Audit Exemption Applications to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously ratified the 2013 Audit Exemption Applications.

Other Financials

None.

Construction Matters

None.

Other Business

Next Meeting

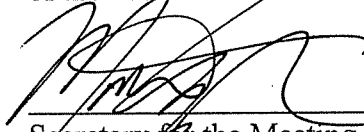
The Boards determined to continue the meeting to August 28, 2014.

The Boards determined to reschedule the September 1, 2014 meeting to September 8, 2014 at 1:30 p.m.

Adjournment

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

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



Secretary for the Meeting