

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Tuesday, November 9, 2021, at 9:00 a.m. via
Teleconference

This meeting was held via teleconference.

Attendance

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

Krystal Bigley
Carly Fenton
Andrea Stewart
Brittany Lutz

Also present were Trish Harris, Esq. White Bear Ankele Tanaka & Waldron, District General Counsel; Alex Fink, CliftonLarsonAllen, LLP, District Accountant

Call to Order

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

Conflict of Interest Disclosures

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

Approval of Agenda

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

Public Comment

None

District Matters

Discussion of Budget Questions

The Board discussed with Mr. Fink the possibility of eliminating the operations fee charged by the District, and instead raising the general fund mill levy and accounting for all operations and maintenance costs out of the general fund. The Board directed Ms. Harris to confirm that there are no general fund mill levy caps in the Service Plan or the bond documents, and if not, instructed Mr. Fink to prepare a revised budget reflecting the elimination of the operations fee for review by the Board.

Discussion of Architectural Approval of Paint Colors

The Board discussed the approval by SDMS of a white color scheme for a home in the community, which color scheme is not in compliance with the approved color palettes for the community; SDMS approved without review and did not comply with Board direction for ARR assistance. Following discussion, upon motion duly made and seconded, the Board approved the District pay to repaint the home in an approved color scheme. The Board directed legal counsel to prepare a letter to the owners advising them of the issue and that the District will work with them, at the District's expense, to reach a resolution to repaint the home in a color scheme that is within the approved color palette.

Discussion of Architectural Review Process

The Board had previously authorized SDMS to review and approve routine architectural requests that are within the established guidelines for the District, with any requests that fall outside of the established guidelines being escalated to the Architectural Review Committee. Following discussion, upon motion duly made and seconded, the Board approved rescinding such authority, and going forward, SDMS shall be required to compile all required materials related to any architectural review request and forward the same to the Architectural Review Committee for review and approval.

Discussion of Management Company RFPs

The Board generally discussed that requests for proposals have been sent to several management companies, with a deadline to respond no later than November 15. No action was taken at this time.

Discussion of Collection Accounts

Ms. Harris discussed that there are two collection accounts with WBA's office currently where the owners have paid the past due fees in full, and all that is remaining on the accounts are legal fees. The situation is similar to the discussion held at the September 13, 2021 meeting whereby SDMS could offer no delinquency letters

being sent by SDMS to the owners prior to turning the accounts over to legal counsel. Following discussion, upon motion duly made and seconded, the Board approved waiving the legal fees on those accounts and seeking the same reimbursement from SDMS for the legal fees incurred.

Other Business

None

Adjournment

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

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

Carly Fenton

Carly Fenton (Dec 15, 2021 13:48 MST)

Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 6th day of December, 2021.