

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED REGULAR MEETING OF THREE SPRINGS METROPOLITAN DISTRICT NO. 1 THREE SPRINGS METROPOLITAN DISTRICT NO. 2 THREE SPRINGS METROPOLITAN DISTRICT NO. 3 AND THREE SPRINGS METROPOLITAN DISTRICT NO. 4

HELD

APRIL 11, 2017

The Coordinated Regular Meeting of the Boards of Directors (“Board”) of the Three Springs Metropolitan District No. 1 (“District No. 1”), Three Springs Metropolitan District No. 2 (“District No. 2”), Three Springs Metropolitan District No. 3 (“District No. 3”) and Three Springs Metropolitan District No. 4 (“District No. 4”, and together with District No. 1, District No. 2 and District No. 3, the “Districts”) was held at 65 Mercado Street, Suite 250, Durango, Colorado, on April 11, 2017 at 3:00 p.m.

ATTENDANCE

Directors in Attendance Were:

Patrick Morrissey
Tim Zink
Gary Whalen

Absent (excused):

Patrick S. Vaughn
Regina Dunn

Also in Attendance:

Dan Brown, GF Properties (“GF Properties”)
Jon Penny, GF Properties
Ross Wieser, GF Properties
Kurt Prinslow, GF Properties *attendance where noted
Paul Cockrel of Collins Cockrel & Cole, via telephone
Sarah H. Luetjen of Collins Cockrel & Cole, via telephone

NOTICE

It was noted that Notice had been properly posted in accordance with statutory requirements.

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DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

Mr. Cockrel reported that general conflict of interest statements had been received from all directors and previously filed with the Secretary of State at least 72 hours in advance of the meeting, disclosing potential conflicts of interest as follows.

Chairman Morrissey is the Senior Vice President of and employed by GF Properties Group, LLC (“GFP”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“GRVP”), a Colorado limited liability company, which is the owner and master developer of all or a significant share of the developable real property within each of the Districts. Additionally, he is an authorized representative of Tierra Group, LLC (“Tierra”), which is the sole member of (i) GRVP and (ii) Tierra Vision Homes, LLC, Tierra Custom Homes, LLC, GFP Mercado, LLC, Confluence Durango, LLC and GFP 3S Apartments, LLC, related entities which own or will own and improve properties within the Districts. GFP, GRVP and Tierra are each indirectly owned by the Southern Ute Indian Tribe (the “Tribe”). The Tribe is the sole member of GFMC, LLC (“GFMC” and together with the Tribe, GFP, Tierra and GRVP, the “Companies”), which is also the manager of each of the Companies. He is regularly authorized by GFMC to carry out various management activities of the Companies. Although he is an officer, employee and agent of the Companies, he is not an owner or creditor of the Companies, nor does he have any other substantial financial interest in the Companies.

Directors Whalen and Zink are also employed by GFP. Additionally, Director Whalen is the Vice President of GFP.

All Directors present stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had been filed with the Board and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to their employment and/or officership positions with the

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above-mentioned entities. After each Director had summarily stated for the record the fact and nature of his private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned their attention to the agenda items.

All Disclosure of Potential Conflict of Interest Statements previously filed are deemed continuing for all purposes and are incorporated into the record of the meeting

MINUTES

The Board reviewed the minutes of the February 7, 2017 Continued Regular Meeting. After discussion and upon motion duly made by Director Whalen, seconded by Director Zink and unanimously carried, the minutes of the meeting were approved as revised.

FINANCIAL REPORT

Dan Brown presented a summary of invoices totaling \$49,700.86 for ratification and payment, which summary is attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Zink, seconded by Director Whalen and unanimously carried, the Board ratified disbursements and payment of various District costs totaling \$49,700.86 as set forth on the summary.

DISTRICT WEBSITE

Chairman Morrissey reviewed the new District website with the Board.

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DEVELOPMENT REPORT

Jon Penny presented a contract for approval, a summary of which is attached hereto and incorporated herein by this reference:

Aztec Landscaping, Inc.: \$144,014

Mr. Penny next presented the following Change Order for approval, a summary of which is attached hereto and incorporated herein by this reference:

Azteca Landscape, Inc.:
CO #1 \$6,000

After discussion and upon motion duly made by Director Zink, seconded by Director Whalen and unanimously carried, the Board approved the Contract and Change Orders as presented and appropriation of funds therefor.

*Kurt Prinslow then arrived at the meeting.

BOARD APPOINTMENT

A Notice of Vacancy was published, and no submissions of interest to serve on the District Nos. 2, 3 and 4 Boards were received by the Districts. Upon motion duly made, seconded and unanimously carried, the Board appointed Jon Penny, subject to qualification, to the Board of each District to serve until the next regular election in 2018, filling the vacancy left by Regina Dunn who resigned and whose term would expire in 2018. Once Ms. Luetjen receives Mr. Penny's Contract to Purchase Property, she will file the Oaths of Office with the Division of Local Government and District Court. Conflict of interest letters will be prepared.

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TRANSFER OF
DISTRICT NO. 1
DEDICATIONS TO
DISTRICT NO. 3

Upon motion duly made, seconded and unanimously carried, the Board approved the Bargain and Sale Deed, transferring the District No. 1 dedications to District No. 3. Once executed, Chairman Morrissey will coordinate the Deed's recordation with the County Clerk and Recorder.

MEETING
ADJOURNED

There being no further business to come before the Board at this time, the meeting was adjourned.



Sarah H. Luetjen, Secretary for the Meeting

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APPROVED


Pat Morrissey


Tim Zink


Gary Whalen