

RECORD OF PROCEEDINGS

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

HELD

APRIL 14, 2015

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”) and Three Springs Metropolitan District No. 3 (“District No. 3”, and together with District No. 1 and District No. 2, the “Districts”) was held at 175 Mercado Street, Suite 240, Durango, Colorado, on April 14, 2015 at 3:00 p.m.

ATTENDANCE

Directors in Attendance Were:

Patrick Morrissey
Patrick S. Vaughn
Regina Dunn
Gary Whalen*
Tim Zink*

*Arrival where noted

Also in Attendance:

Dan Brown of GF Properties Group, LLC (“GF Properties”)
John Penny of GF Properties
Tiffany Caron of GF Properties

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 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 the Vice President 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 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, Vaughn, Dunn 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 above-mentioned entities. After each Director had summarily stated

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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 October 14, 2014 regular meeting, December 15, 2014 continued regular meeting and the December 30, 2014 continued regular meeting. After discussion and upon motion duly made by Director Vaughn, seconded by Director Dunn and unanimously carried, the minutes of the meeting were approved as amended.

Director Whalen then arrived at the meeting.

FINANCIAL REPORT

Dan Brown presented a summary of invoices totaling \$41,188.67 for ratification, which summary is attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried, the board ratified disbursements for payment of various District costs totaling \$41,188.67 as set forth on the summary.

Dan Brown noted the 2015 Budget will need to be amended.

Director Zink then arrived at the meeting.

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DEVELOPMENT REPORT

Chair Morrissey presented the contracts for ratification, a summary of which is attached hereto and incorporated herein by this reference:

Russell Engineering: \$3,805
Enrique's Retaining Wall and Design: PMN Contract time and material

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

Russell Engineering:
CO #1 \$6,970

Chair Morrissey next presented the contracts for approval, a summary of which is attached hereto and incorporated herein by this reference:

Aztec Landscaping: \$109,200
Concrete Concepts: \$24,059

After discussion and upon motion duly made, seconded and unanimously carried, the Board ratified and approved the Contracts and Change Orders as presented and appropriation of funds therefor.

Chair Morrissey discussed the Utility Notification Center of Colorado (the "UNCC") with the Board. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried the Board approved the District's membership of UNCC.

EXCLUSION HEARING

Mr. Cockrel then opened the public hearing to consider the Petition for Exclusion filed by GRVP, LLC for the exclusion of property from District No. 1. No objections were filed but the newspaper failed to publish Notice as required by statute. The hearing was then closed. After discussion, no official action was taken, and it was

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decided that the exclusion of property would be tabled until after public notice has been published according to statute.

CONSENT TO
ASSIGNMENT
OF MANAGEMENT
SERVICES
AGREEMENT

Mr. Cockrel discussed the Assignment of Management Services Agreement with the Board. Following discussion and upon motion duly made by Director Vaughn, seconded by Director Dunn and unanimously carried, the Board approved the Consent to Assignment of Management Services Agreement, with an effective date of April 14, 2015.

MEETING
ADJOURNED

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



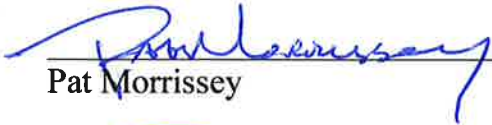
Sarah H. Luetjen, Secretary for the Meeting

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APPROVED



Patrick S. Vaughn



Pat Morrissey



Tim Zink



Gary Whalen



Regina Dunn