

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 20, 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 20, 2015 at 10:00 a.m.

ATTENDANCE

Directors in Attendance Were:

Patrick Morrissey
Patrick S. Vaughn
Tim Zink

Absent (excused):

Gary Whalen
Regina Dunn

Also in Attendance:

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.

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.

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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 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.

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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.

EXCLUSION HEARING

Chair Morrissey 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. Mr. Cockrel report that Notice of the public hearing on exclusion has been published in accordance with statutory requirements. The hearing was then closed. Mr. Cockrel advised that District No. 3 previously entered into a Trust Indenture (the "Indenture") with UMB Bank, n.a. which restricts District No. 3 from releasing from the lien of the Deed of Trust any property which will become exempt or will be eligible to become exempt from property taxation by District No. 1, or alternatively entering into an agreement for payments in lieu of taxes. GRVP intends to enter into a property exchange including the petition property. Mr. Cockrel reviewed the Order of Exclusion with the Board. Upon further discussion and motion duly made, seconded and unanimously carried, the Board of District No. 1 approved such exclusion, subject to compliance of all terms of Section 5.18 of the Indenture.

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