

RECORD OF PROCEEDINGS

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

HELD

JUNE 7, 2016

The Coordinated Special 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 June 7, 2016 at 3:00 p.m.

ATTENDANCE

Directors in Attendance Were:

Patrick Morrissey
Regina Dunn
Tim Zink

Absent (excused):

Patrick S. Vaughn
Gary Whalen

Also in Attendance:

Ross Weiser, of GF Properties Group, LLC (“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.

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

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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 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.

Director Vaughn is the 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 officer 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 an authorized representative of GFMC for various business purposes. Although he is an officer, employee and agent of the

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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, 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.

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 March 22, 2016 Special Meeting. After discussion and upon motion duly made by Director Whalen, seconded by Director Dunn and unanimously carried, the minutes of the meeting were approved as revised.

2015 BUDGET AMENDMENT

Chairman Morrissey opened the public hearing to consider an amendment of the 2015 Budget for District No. 1, after noting that notice of such hearing was published in accordance with statutory requirements. Director Dunn presented the amended budget and reported the amendment is necessary due to expenditures exceeding original appropriations in the General Fund for District No. 1. After

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discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Resolution to Amend 2015 Budget for District No. 1, a copy of which is attached hereto and incorporated herein by this reference. Ms. Luetjen was requested to file the amendment documents with the Division of Local Government.

DISTRICT NO. 4 STATUS UPDATE

Mr. Cockrel informed the Board that District Court granted the Findings, Order and Decree Creating Three Springs Metropolitan District No. 4. Once the Findings, Order and Decree has been recorded with the La Plata County Clerk and Recorder the District will be deemed organized and an Organizational Meeting can be held.

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


Regina Dunn

