

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL 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

DECEMBER 20, 2017

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”), 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 December 20, 2017 at 2:00 p.m.

ATTENDANCE

Directors in Attendance Were:

Patrick Morrissey
Tim Zink
Gary Whalen
Patrick S. Vaughn
Jon Penny (District Nos. 2, 3 and 4 Boards)

Absent (excused):

Regina Dunn (District No. 1 Board)

Also in Attendance:

Dan Brown, GF Properties Group (“GF Properties Group”)
Kim Morris, GF Properties Group
Dwayne Howell, resident
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 (“GFPG”), 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.

Director Vaughn is the President and Chief Operating Officer of GF Properties Group, LLC (“GFPG”), 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 the District and is also employed by Southern Ute Growth Fund. 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, Confluence Durango, LLC and GFP 3S Apartments, LLC, related entities which own or will own and improve properties

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within the District. GFPG, 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, GFPG, 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 Companies, he is not an owner or creditor of the Companies, nor does he have any other substantial financial interest in the Companies.

Director Penny is employed by GFPG. Additionally, he is a member 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 District. GFPG, 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, GFPG, 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 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 GFPG. Additionally, Director Whalen is the Vice President of GFPG.

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

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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 10, 2017 Regular Meeting. After discussion and upon motion duly made by Director Vaughn, seconded by Director Penny and unanimously carried, the minutes of the meeting were approved as revised.

LEGAL REPORT

Director Penny discussed the proposed Fourth Amendment to the Acquisition and Reimbursement Agreement between GRVP, LLC and District No. 3 with the Board. Director Penny noted that an additional amendment is necessary due to additional public improvement costs. After disclosure of each Director's potential conflict of interest because of their relationships with the Companies and GRVP and after further discussion and upon motion duly, seconded and unanimously carried, the Board of District No. 3 ratified the Fourth Amendment to the Acquisition and Reimbursement Agreement.

Director Penny then discussed the proposed Fifth Amendment to the Acquisition and Reimbursement Agreement between GRVP, LLC and District No. 3 with the Board. Director Penny noted that an additional amendment is necessary due to additional public improvement costs. After disclosure of each Director's potential conflict of interest because of their relationships with the Companies and GRVP and after further discussion and upon motion duly, seconded and unanimously carried, the Board of District No. 3 ratified the Fifth Amendment to the Acquisition and Reimbursement Agreement, subject to final plat recordation.

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MEETING
ADJOURNED

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

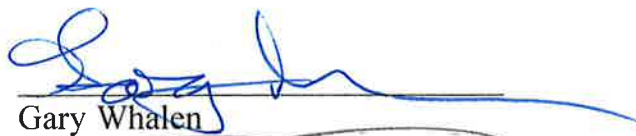
Sarah H. Luetjen, Secretary for the
Meeting

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APPROVED


Pat Morrissey


Tim Zink


Gary Whalen


Pat Vaughn


Jon Penny