

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

NOVEMBER 6, 2019

A 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 November 6, 2019 at 4:00 p.m.

ATTENDANCE

Directors in Attendance were:

Patrick Morrissey
Patrick S. Vaughn
Jon Penny
Tim Zink

Absent (excused):

Gary Whalen

Also in Attendance were:

Paul R. Cockrel of Collins Cockrel & Cole, P.C. **arrival where noted*
Sarah H. Luetjen of CCC, via telephone
Dan Brown, GF Properties Group, LLC
Michael Lund, Stifel, via telephone
**arrival and departure where noted*
Jason Simmons, Hilltop Securities, Inc., via telephone
**arrival and departure where noted*
Steph Chichester, North Slope Capital Advisors, via telephone
**arrival and departure where noted*

CONFLICTS OF
INTEREST

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

Chairman Morrissey, is the President and COO 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 (the “Companies”) are each indirectly owned by the Southern Ute Indian Tribe (the “Tribe”). The Tribe is the sole member of GFMC, LLC (“GFMC”), which is 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, GFMC or the Tribe, nor does he have any other substantial financial interest in the Companies, GFMC or the Tribe.

Director Vaughn is the Operating Director – Non-Energy and an employee of the Southern Ute Indian Tribe Growth Fund, a division of the Tribe. The Tribe is the sole owner of GFP, which is affiliated with 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. Additionally, he is an authorized representative of 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. GFP, GRVP and Tierra are each directly or indirectly owned by the Tribe. The Tribe is the sole member of GFMC, which is 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, GFMC or the Tribe, nor does he have any other substantial financial interest in the Companies, GFMC or the Tribe.

Director Penny is employed by GFP. Additionally, he is an authorized representative of 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. GFP, GRVP and Tierra are each directly or indirectly owned by the Tribe. The Tribe is the sole member of GFMC, which is 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, GFMC or the Tribe, nor does he have any other substantial financial interest in the Companies, GFMC or the Tribe.

Director Zink is also employed by GFP. Additionally, he is an authorized representative of 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. GFP, GRVP and Tierra are each directly or indirectly owned by the Tribe. The Tribe is the sole member of GFMC, which is 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, GFMC or the Tribe, nor does he have any other substantial financial interest in the Companies, GFMC or the Tribe.

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 September 4, 2019 Regular Meeting. After discussion and upon motion duly made by Director Vaughn, seconded by Director Zink and unanimously carried, the minutes of the meeting were approved as revised.

PUBLIC COMMENT

None.

FINANCIAL
REPORT

Dan Brown presented the financial reports for each District and a summary of invoices totaling \$78,090.55 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 Penny and unanimously carried, the Board of District No. 3 ratified and approved disbursements and payment of all invoices totaling \$78,090.55 as set forth on the summary.

The financial review was tabled to the December 4, 2019 meeting.

MUNICIPAL
ADVISOR REQUEST
FOR PROPOSAL

Director Zink discussed with the Board a need for a Municipal Advisor for the upcoming bond issuance.

**Michael Lund then arrived via telephone.*

Mr. Lund presented his proposal.

**Mr. Lund then left the meeting.*

**Steph Chichester then arrived via telephone.*

Ms. Chichester presented her proposal.

**Ms. Chichester than left the meeting.*

**Jason Simmons then arrived via telephone*

Mr. Simmons presented his proposal.

**Mr. Simmons then left the meeting.*

Upon further discussion and upon motion duly made by Director Vaughn, seconded by Director Penny and unanimously carried, the Board granted the award of proposal to Hilltop Securities, Inc. subject to legal counsel's review of the contract.

**Mr. Cockrel then joined the meeting.*

RESOLUTION TO
AMEND SERVICE
PLAN OF DISTRICT
No. 4

Following discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Board adopted the Resolution to Amend the Service Plan of District No. 4.

OTHER MATTERS

None.

MEETING
ADJOURNED


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


Respectfully submitted,



Sarah H. Luetjen, Secretary for the Meeting

APPROVED


Patrick Morrissey


Patrick S. Vaughn


Jon Penny


Tim Zink