

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED REGULAR 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

MARCH 4, 2020

A 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”), 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 March 4, 2020 at 3:00 p.m.

ATTENDANCE

Directors in Attendance were:

Patrick Morrissey
Jon Penny
Tim Zink
Patrick S. Vaughn
Gary Whalen

Absent (excused):

None.

Also in Attendance were:

Sarah H. Luetjen of Collins Cockrel & Cole, P.C., via telephone
Kim Morris, GF Properties, LLC (“GF Properties”)
Dan Brown, GF Properties
Ross Wieser, Ross Wieser Consulting, via telephone
Suzanne Serianni, Community Manager
Beth Johnson, GF Properties
Stacy Toppin, GF Properties
Mattie Prodanovic, Hilltop Securities, via telephone

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.

Director Whalen 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 December 4, 2019 Regular Meeting. After discussion and upon motion duly made by Director Penny, 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 \$64,949.35 for ratification and payment, which summary is attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Whalen, seconded by Director Vaughn and unanimously carried, the Board of District No. 3 ratified and approved disbursements and payment of all invoices totaling \$64,949.35 as set forth on the summary.

Ross Wieser then reviewed December 31, 2019 financials with the Board.

DEVELOPMENT
REPORT

Jon Penny presented the following Change Order for ratification and approval, a summary of which is attached hereto and incorporated herein by this reference:

Grasshoppers Landscaping and Lawn Services:

Ratify CO #2 to Work Order #4 \$2,835.14

After discussion and upon motion duly made by Director Vaughn, seconded by Director Zink and unanimously carried, the Board of District No. 3 ratified and approved the Change Orders as presented and appropriation of funds therefor.

OTHER MATTERS

Director Penny then introduced Stacy Toppin who took over for Brent Brown.

MAY 5, 2020
ELECTION

Ms. Luetjen advised the Board that at the close of business on March 3, 2020, there were not more candidates for Directors than offices to be filled on the Boards of each District; therefore, as authorized by the Resolutions Calling for the Election, Sarah H. Luetjen, the Designated Election Official cancelled the elections.

STATUS OF BOND
ISSUANCE

Mattie Prodanovic discussed the status of the 2020 Bond issuance and related timelines.

OTHER MATTERS

Director Zink discussed the License Agreement with Hendrick regarding the Access Permit. Legal Counsel will review the Agreement for revisions needed and confer with Director Zink.

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** Digitally signed by Patrick
Morrissey
Date: 2020.04.13
13:35:49 -06'00'

Patrick Morrissey

Gary Whalen Digitally signed by Gary
Whalen
Date: 2020.04.09
14:26:21 -06'00'

Gary Whalen

 Digitally signed by Jon
Penny
Date: 2020.04.09
10:42:05 -06'00'

Jon Penny

Tim Zink Digitally signed by Tim Zink
DN: cn=Tim Zink, o=Three Spring
Meto District, ou=Treasurer,
email=tzink@sugf.com, c=US
Date: 2020.04.09 11:42:35 -06'00'

Tim Zink

**Patrick
Vaughn** Digitally signed by Patrick Vaughn
DN: cn=Patrick Vaughn, o,
ou=Southern Uta Growth Fund,
email=pvaughn@sugf.com, c=US
Date: 2020.04.09 09:04:46 -06'00'

Patrick Vaughn