

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

MARCH 26, 2020

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 via teleconference by calling: 415-655-0003 (access code 925 557 810), on March 26, 2020 at 10:00 a.m.

ATTENDANCE

Directors in Attendance were:

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

Absent (excused):

None.

Also in Attendance were:

Paul R. Cockrel of Collins Cockrel & Cole, P.C. (“CCC”)
Sarah H. Luetjen of CCC, via telephone
Kim Morris, GF Properties, LLC (“GF Properties”)
Ross Wieser, Ross Wieser Consulting, via telephone
Suzanne Serianni, Community Manager
Jason Simmons, 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 March 4, 2020 Regular Meeting. After discussion and upon motion duly made by Director Zink, seconded by Director Penny and unanimously carried, the minutes of the meeting were approved as revised.

PUBLIC COMMENT

Chairman Morrissey discussed the meeting location and handling of voting on each agenda item. Mr. Cockrel noted that given the current circumstances and the public health restrictions due to COVID-19, State agencies are now saying telephonic meetings and voting by such means is now okay.

2019 BUDGET
AMENDMENT

Chairman Morrissey opened the public hearing to consider an amendment of the 2019 Budget for District No. 2, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Morrissey then closed the public hearing. Chairman Morrissey presented the amended budget and reported the amendment is necessary due to expenditures exceeding original appropriations in the General Fund for District No.2. After discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Resolution to Amend 2019 Budget for District No. 2, a copy of which is attached hereto and incorporated herein by this

document for District No. 2 with the Division of Local Government.

Chairman Morrissey then opened the public hearing to consider an amendment of the 2019 Budget for District No. 4, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Morrissey then closed the public hearing. Chairman Morrissey presented the amended budget and reported the amendment is necessary due to expenditures exceeding original appropriations in the General Fund for District No. 4. After discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Resolution to Amend 2019 Budget for District No. 4, a copy of which is attached hereto and incorporated herein by this reference. Ms. Luetjen was requested to also file the amendment document for District No. 4 with the Division of Local Government.

AUDIT
EXEMPTIONS FOR
DISTRICT NOS. 2
AND 4

Ross Wieser presented that the Applications for Audit Exemption for District Nos. 2 and 4, which are attached hereto and incorporated herein by this reference. Mr. Wieser noted that the applications will need be revised due to the 2019 budget amendments for each District. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Boards of District Nos. 2 and 4 respectively approved the Application for Audit Exemption for each District, as revised.

RFP FOR
UNDERWRITING
SERVICES

Mr. Simmons of Hilltop Securities discussed the current market and the structure and response for Underwriting Services. He received responses from D.A. Davidson & Co., Stifel, Piper Sandler, and Wells Fargo. Mr. Simmons then discussed each proposal. Mr. Simmons will forward each to Mr. Cockrel for his review and comment. Upon further discussion, this matter was tabled to the next scheduled meeting.

COVID-19

Mr. Cockrel discussed the current public health restrictions due to COVID-19 and the essential governmental functions by vendors. Chairman Morrissey is to issue letters to vendors.

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: 2020.04.30
08:51:13 -06'00'

Patrick Morrissey
Gary Whalen Digitally signed by Gary
Whalen
Date: 2020.04.29
13:54:44 -06'00'

Gary Whalen
 Digitally signed by Jon
Penny
Date: 2020.04.28
15:57:33 -06'00'

Jon Penny

Tim Zink
**Patrick
Vaughn** Digitally signed by Patrick Vaughn
DN: cn=Patrick Vaughn, o,
ou=Southern Ute Growth Fund,
email=pvaughn@sugf.com, c=US
Date: 2020.04.28 14:12:14 -06'00'

Patrick Vaughn