

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

JUNE 3, 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 via teleconference by calling: 415-655-0003 (access code 928 777 937), on June 3, 2020, 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:

Paul R. Cockrel of Collins Cockrel & Cole, P.C. (“CCC”)
Crystal Schott of CCC
Ross Wieser, Ross Wieser Consulting
Suzanne Serianni, Community Manager
Jason Simmons, Hilltop Securities

CONFLICTS OF INTEREST

Mr. Cockrel 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 April 21, 2020 Special Meeting. After discussion and upon motion duly made by Director Zink, seconded by Director Whalen and unanimously carried, the minutes of the meeting were approved as revised.

MAY 5, 2020
ELECTION

Mr. Cockrel advised the Board that at the elections were cancelled and the Boards should confirm or re-elect officers. Director Morrissey recommended the officers and positions should remain the same. After discussion and upon motion duly made by Director Zink, seconded by Director Penny and unanimously carried, the Boards determined the officers of the Directors for the Districts will remain the same.

PUBLIC COMMENT

None.

2019 BUDGET
AMENDMENT

Chairman Morrissey opened the public hearing to consider an amendment of the 2019 Budget for District No. 1, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Morrissey then closed the public hearing. Ross Wieser 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 discussion and upon motion duly made by Director Vaughn, seconded

by Director Whalen and unanimously carried, the Board adopted the Resolution to Amend 2019 Budget for District No. 1, a copy of which is attached hereto and incorporated herein by this reference. Collins, Cockrel & Cole will file the amendment document for District No. 1 with the Division of Local Government.

Chairman Morrissey then opened the public hearing to consider an amendment of the 2019 Budget for District No. 3, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Morrissey then closed the public hearing. Ross Wieser presented the amended budget and reported the amendment is necessary due to expenditures from utilities exceeding original appropriations in the General Fund for District No. 3. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried, the Board adopted the Resolution to Amend 2019 Budget for District No. 3, a copy of which is attached hereto and incorporated herein by this reference. Collins, Cockrel & Cole will also file the amendment document for District No. 3 with the Division of Local Government.

FINANCIAL
REPORT

Dan Brown presented the financial reports for each District and a summary of invoices totaling \$50,230.76 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 \$50,230.76 as set forth on the summary.

Ross Wieser then reviewed April 30, 2020 financials with the Board. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried, the Board accepted the financials as presented.

2019 AUDIT FOR
DISTRICT
NOS. 1 AND 3

Ross Wieser updated the Board on the 2019 Audit for District Nos. 1 and 3. He noted that the Audits were close to being completed. District No. 3 is waiting on partner review. Mr. Cockrel noted the Boards will need to have a special meeting to adopt the 2019 Audit for District Nos. 1 and 3.

STATUS OF BOND
ISSUANCE

Jason Simmons discussed the status of the 2020 Bond issuance, including market study, refunding options, filings with the City, and related timelines.

Mr. Cockrel reviewed with the Board Hogan Lovells Engagement Letter, including the changes to paragraph 7 regarding the COVID contingency. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Board approved the Engagement Letter with Hogan Lovells.

DEVELOPMENT
REPORT

Jon Penny reported that there are no construction contracts or change orders for the Board to review and approve at this time.

LEGAL REPORT

Mr. Cockrel reported there are no current outstanding items other than the bond update previously discussed.

MEETING
ADJOURNED

The Board discussed the need for a possible Special meeting at the end of June or the beginning of July for adoption of audits and bond matters. There being no further business to come before the Board at this time and upon motion duly made by Director Whalen, seconded by Director Zink and unanimously carried, the meeting was adjourned.

Respectfully submitted,



Crystal Schott, Secretary for the Meeting

APPROVED

Patrick Morrissey

Gary Whalen

Jon Penny

Tim Zink

Patrick Vaughn