

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

SEPTEMBER 16, 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 145 613 1311), on Wednesday, September 16, 2020 at 2:00 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
Kim Morris, GF Properties, LLC (“GF Properties”)
Beth Johnson, GF Properties
Ross Wieser, Ross Wieser Consulting
Suzanne Serianni, Community Manager
Jason Simmons, Hilltop Securities
Helen Atkeson, Hogan Lovells
Creig Veldhuizen, Piper Sandler
Tom Wynne, Wells Fargo

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 July 22, 2020 Special Meeting. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried, the minutes of the meeting were approved as revised.

PUBLIC COMMENT

None.

FINANCIAL
REPORT

The financial reports for each District and a summary of invoices totaling \$128,221.17 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 \$128,221.17 as set forth on the summary.

Ross Wieser then presented the August 31, 2019 financials for review.

PRELIMINARY
2021 BUDGET
REVIEW

Mr. Wieser noted since the preliminary assessed valuation has not come out yet, the budget numbers are only estimates based on last year's final assessed valuation. He then discussed the preliminary 2021 draft budget with the Board.

BOND ISSUANCE
DISCUSSION

Mr. Cockrel summarized the refinancing documents and relation between the Districts. Mr. Simmons discussed matters relating to bond pricing, schedules, market, and timetable. Ms. Atkeson reviewed each Authorizing Resolutions and attachments, including principal amounts, trust indentures, payments, use of proceeds, preliminary offering memorandum, continuing disclosure agreement, and refunding timeline.

DISTRICT NO. 1
BONDS

The Authorizing Resolution for District No. 1 Limited Tax Convertible General Obligation Refunding Bonds in the approximate principal amount of \$24,000,000 and the Subordinate Limited Tax General Obligation Refunding Bonds in the approximate principal amount of \$8,000,000 was then presented to the Board. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried to approve District No. 1's Authorizing Resolution.

DISTRICT NO. 4
BONDS

The Authorizing Resolution for District No. 4 Limited Tax Convertible General Obligation Refunding Bonds in the approximate amount of \$6,000,000 and the Subordinate Limited Tax General Obligation Refunding Bonds in the approximate principal amount of \$3,000,000 was then presented to the Board. After discussion and upon motion duly made by Director Vaughn, seconded by Director Penny and unanimously carried to approve District No. 4's Authorizing Resolution.

DISTRICT NO. 3
NOTE

The Third Amended and Restated Authorizing Resolution for District No. 3 authorizing issuance of the Third Revised Revenue Junior Revenue Note, Series 2013 in a principal amount not to exceed \$11,500,000 was then presented to the Board. After discussion and upon motion duly made by Director Zink, seconded by Director Whalen and unanimously carried to approve District No. 3's Third Amended and Restated Authorizing Resolution.

DISTRICT NO. 3
JUNIOR REVENUE
NOTE

The Resolution and Note for District No. 3's issuance of a Junior Revenue Note in the approximate principal amount of \$4,000,000 was then presented to the Board. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried to approve District No. 3's Junior Revenue Note and Note Resolution.

AMENDMENT TO
INTER-DISTRICT
FINANCING
AGREEMENT

Mr. Cockrel discussed District Nos. 1, 2 and 3 Resolutions Approving the Amendment of Inter-District Financing Agreement. After discussion and upon motion duly made by Director Vaughn, seconded by Director Zink and unanimously carried to approve the Amendment of Inter-District Financing Agreement. It was noted that, each Board separately voted and approves the Amendment.

DISTRICT NOS. 3
AND 4
AMENDMENT TO
INTER-DISTRICT
FINANCING
AGREEMENT

Mr. Cockrel discussed District Nos. 3 and 4 Resolutions Approving the Amendment of Inter-District Financing Agreement. After discussion and upon motion duly made by Director Vaughn, seconded by Director Zink and unanimously carried to approve the Amendment of Inter-District Financing Agreement. It was noted that, each Board separately voted and approves the Amendment.

DISTRICT NO. 3
NINTH
AMENDMENT OF
ACQUISITION AND
REIMBURSEMENT
AGREEMENT

Mr. Cockrel discussed and presented to the Board the Ninth Amendment of Acquisition and Reimbursement Agreement between District No. 3 and GRVP, LLC for acquisition of facilities in District No. 4. After discussion and upon motion duly made by Director Vaughn, seconded by Director Whalen and unanimously carried to approve the Ninth Amendment of Acquisition and Reimbursement Agreement with revisions as discussed.

DISTRICT NO. 3
ESCROW
AGREEMENT WITH
UMB BANK

Mr. Cockrel discussed and presented to the Board District No. 3's Escrow Agreement with UMB Bank related to refunding of the District's Series 2010 Bonds. After discussion and upon motion duly made by Director Penny, seconded by Director Zink and unanimously carried to approve the Escrow Agreement as presented.

DEVELOPMENT
REPORT

Director Morrissey presented the following Change Orders for approval, summaries of which are attached hereto and incorporated herein by this reference:

Azteca Landscape, Inc.

CO #1 to Work Order #1 \$2,399.47

Short-Elliott-Hendrickson, Inc.

CO #3 to Work Order #1 \$2,000.00

After discussion and upon motion duly made by Director Morrissey, seconded by Director Vaughn and unanimously carried, the Board ratified the Change Orders as presented and appropriation of funds therefor.

MEETING
ADJOURNED

There being no further business to come before the Board at this time, a motion was duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the meeting was adjourned.

Respectfully submitted,



Crystal Schott, Secretary for the Meeting

APPROVED

Patrick
Morrissey


Digitally signed by Patrick
Morrissey
Date: 2021.02.22
15:31:25 -07'00'

Patrick Morrissey

Gary Whalen

Digitally signed by Gary
Whalen
Date: 2021.02.23
08:20:39 -07'00'

Gary Whalen

 Digitally signed by Jon
Penny
Date: 2021.02.22
15:48:43 -07'00'

Jon Penny

Tim Zink

Digitally signed by Tim Zink
DN: cn=Tim Zink, o=Three
Springs Metro District, ou,
email=tzink@sugf.com, c=US
Date: 2021.02.22 16:14:51 -07'00'

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: 2021.02.22 17:10:57 -07'00'

Patrick Vaughn