

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 2, 2021

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 145 263 6206), on Wednesday, June 2, 2021 at 3:00 p.m.

ATTENDANCE

Directors in Attendance were:

Patrick Morrissey
Jon Penny
Tim Zink
Patrick S. Vaughn

Absent (excused):

None.

Also in Attendance were:

Paul R. Cockrel of Collins Cockrel & Cole, P.C., via telephone
Sarah H. Luetjen of CCC
Dan Brown, Growth Fund Accounting & Finance
Ross Wieser, Ross Wieser Consulting, via telephone
Suzanne Serianni, Community Manager
Brien Meyer, GF Properties Group

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 the President and COO and an authorized representative of Tierra Vision Homes, LLC (“Tierra”), which is the sole member of (i) GRVP and (ii) Tierra Custom Homes, LLC, GFP Mercado, LLC; and GFP 3S Apartments, LLC, related entities which own or will own and improve properties within the Districts. GFP is directly owned, and GRVP is indirectly owned, by the Southern Ute Indian Tribe (the “Tribe”). The Tribe is the sole member of GFMC, LLC (“GFMC” and together with GFP and GRVP, 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 GFP Mercado, 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 GFP Mercado,

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 March 3, 2021 Regular Meeting. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the minutes of the meeting were approved as revised.

PUBLIC COMMENT

None.

FINANCIAL
REPORT

Mr. Brown presented the financial reports for each District and a summary of invoices totaling \$57,819.73 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 Vaughn and unanimously carried, the Board of District No. 3 ratified and approved disbursements and payment of all invoices totaling \$57,819.73 as set forth on the summary.

DEVELOPMENT
REPORT

Jon Penny noted that there was no report at this time.

LEGAL UPDATE

Mr. Cockrel provided an update on the current legislative session.

FINANCIAL
REVIEW,
CONTINUED

Mr. Wieser presented the April 30, 2021 financial reports for each District. After discussion and upon motion duly made by Director Penny, seconded by Director Vaughn and unanimously carried, the Board of each District ratified and approved disbursements and payment of all invoices as set forth on the summary.

2020 BUDGET
AMENDMENT

Chairman Morrissey opened the public hearing to consider an amendment of the 2020 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 Zink, seconded by Director Vaughn and unanimously carried, the Board adopted the Resolution to Amend 2020 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 2020 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. 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. 2. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Board adopted the Resolution to Amend 2020 Budget for District No. 2, a copy of which is attached hereto and incorporated herein by this reference. Collins, Cockrel & Cole will file the amendment document for District No. 2 with the Division of Local Government.

Chairman Morrissey then opened the public hearing to consider an amendment of the 2020 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 exceeding original appropriations in the General Fund for District No. 3. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Board adopted the Resolution to Amend 2020 Budget for District No. 3, a copy of which is attached hereto and incorporated herein by this reference. Collins, Cockrel & Cole will file the amendment document for District No. 3 with the Division of Local Government.

Chairman Morrissey then opened the public hearing to consider an amendment of the 2020 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.

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. 4. After discussion and upon motion duly made by Director Zink, seconded by Director Vaughn and unanimously carried, the Board adopted the Resolution to Amend 2020 Budget for District No. 4, a copy of which is attached hereto and incorporated herein by this reference. Collins, Cockrel & Cole will file the amendment document for District No. 4 with the Division of Local Government.

2020 AUDIT FOR
DISTRICT
NOS. 1, 3 AND 4

Ross Wieser updated the Board on the 2020 Audit for District Nos. 1, 3 and 4. The draft Audits were reviewed by the Boards. Upon further discussion, and upon motion duly made by Director Vaughn, seconded by Director Zink and unanimously carried, the Board of each District respectively approved the Audit of each District, subject to final review of necessary revisions.

AUDIT
EXEMPTIONS FOR
DISTRICT NO. 2

Ross Wieser presented that the Application for Audit Exemption for District No. 2, which is attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Vaughn, seconded by Director Penny and unanimously carried, the Board of District No. 2 ratified the Application for Audit Exemption, as presented.

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



Jon Penny



Tim Zirk

**Patrick
Vaughn**

Patrick Vaughn

Digitally signed by Patrick Vaughn
DN: cn=Patrick Vaughn, o,
ou=Southern Ute Growth Fund,
email=pvaughn@sugf.com, c=US
Date: 2021.10.29 09:30:59 -0800