

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

DECEMBER 7, 2022

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 2592 839 3147), on Wednesday, December 7, 2022 at 3:00 p.m.

ATTENDANCE

Directors in Attendance were:

Tim Zink (**District Nos. 1, 2, 3 and 4**)
Jon Penny (**District Nos. 1, 2, 3 and 4**)
Brien Meyer (**District Nos. 2, 3 and 4**)
Kim Morris (**District Nos. 2, 3 and 4**)
Mick Souder (**District No. 1**)
Jeff Miller (**District No. 1**)

Absent (excused):

Patrick Morrissey

Also in Attendance were:

Paul R. Cockrel of Cockrel Ela Glesne Greher & Ruhland, P.C.
 (“CEGR”)
Sarah H. Luetjen of CEGR
Dan Brown, Southern Ute Growth Fund, Financing & Accounting
Lisa Reese, Administrative Coordinator, CCMC
Victoria Lopez, CPA, Clark, White & Associates

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.

Director 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”), 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 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 Penny is employed by GFP, which is affiliated with GRVP, 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, 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.

Chairman Zink is also employed by GFP, which is affiliated with GRVP, 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, GRVP, 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 Meyer is also employed by GFP, which is affiliated with GRVP, 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 GFP Mercado, LLC and GFP 3S Apartments, LLC, related entities which own or will own and improve properties within the District. GFP, GRVP, GFP Mercado, LLC and GFP 3S Apartments, LLC 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 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 Morris is also employed by GFP, which is affiliated with GRVP, which is the owner and master developer of all or a significant share of the developable real property within each of the Districts. GFP is directly or indirectly owned by the Tribe. The Tribe is the sole member of GFMC, which is the manager of each of the Companies. Although she is an employee of GFP and agent of the Companies, she is not an owner or creditor of the Companies or the Tribe, nor does she have any other substantial financial interest in the Companies 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 September 7, 2022 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
PROCESS

The Board discussed public comment standards and wanting the public to be more involved. Ms. Reese will work on the language of the announcement to the Homeowners Association distribution list with a link to the Districts' website.

PUBLIC COMMENT

None.

FINANCIAL
REPORT

Mr. Brown presented the financial reports for each District and a summary of invoices for ratification and payment, which summary is attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Penny, seconded by Director Zink and unanimously carried, the Board of District No. 3 ratified and approved disbursements and payment of all invoices as set forth on the summary.

Director Meyer to work with Clark, White & Associates to ratify the budget for District Nos. 1-4.

PUBLIC HEARING
ON 2023 BUDGETS

Director Meyer presented the proposed budgets for the Districts for the 2023 fiscal year. President Zink opened the Public Hearing regarding the 2023 Budget. Hearing no public comments, President Zink closed the Public Hearing.

Director Meyer reviewed the District No. 1 budget with the Board of District No. 1. After further discussion and upon motion duly made by Director Souder, seconded by Director Miller and unanimously carried, the Board of District No. 1 approved the 2023 fiscal year budget of District No. 1, subject to receipt of final assessed valuation amounts, and adopted the Resolutions to Adopt Budget, Set Mill Levies and Appropriate Sums of Money

Director Meyer reviewed the budgets for District Nos. 2, 3 and 4. After further discussion and upon motion duly made by Director Meyer, seconded by Director Morris and unanimously carried, the Board of District Nos. 2, 3 and 4 approved the 2023 fiscal year budget of each District, subject to receipt of final assessed valuation amounts, and adopted the Resolutions to Adopt Budget, Set Mill Levies and Appropriate Sums of Money

DEVELOPMENT
REPORT

Director Penny presented the following Change Orders for ratification and approval:

Azteca Landscape, Inc.:

Change Order #2 to Work Order #2 \$584.20

Change Order #3 to Work Order #2 \$1,900

Grasshoppers Landscaping & Lawn Service,
LLC:

Change Order #2 to Work Order #13 \$5,000

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

Director Penny presented the following Work Orders for approval:

Grasshoppers Landscaping & Lawn Service, LLC:

Work Order #17 \$27,000

Work Order #18 \$8,000

After discussion and upon motion duly made by Director Morris, seconded by Director Meyer and unanimously carried, the Board of District No. 3 approved the Work Orders as presented and appropriation of funds therefor.

Director Penny then discussed the tracking of water usage. Ms. Reese will assist.

LEGAL UPDATE

Mr. Cockrel presented the Resolutions Calling May 2023 Election to the Board of each District. After discussion and upon motion duly made by Director Zink, seconded by Director Penny and unanimously carried, the Board of each District adopted the Resolutions Calling May 2023 Election.

2023 MEETING
DATES

The Board will hold the 2023 Regular Meetings at 3:00 p.m. on the first Wednesday of every third month.

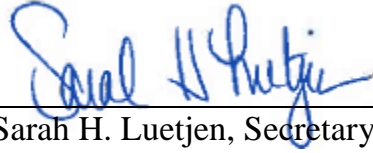
OTHER MATTERS

President Zink discussed the City of Durango’s code enforcement and the ability to enforce leash laws on metropolitan district property.

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

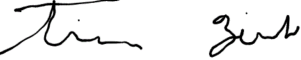
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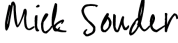
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Patrick Morrissey


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Kim Morris

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Tim Zink

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