

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 7, 2023

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 2599 408 9935) and via Webex: <https://suit.webex.com/suit/j.php?MTID=m44a8e66b843a17b4f75ad874651d0c9e>; Meeting number (access code): 2593 077 6919, on Wednesday, June 7, 2023 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 (**District Nos. 1, 2, 3 and 4**)

Also in Attendance were:

Paul R. Cockrel of Cockrel Ela Glesne Greher & Ruhland, P.C. (“CEGR”)
Sarah H. Luetjen of CEGR
Lisa Reese, Administrative Coordinator, CCMC
Suzanne Serianni, Community Manager, CCMC

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 March 1, 2023 Regular Meeting. After discussion and upon motion duly made by Director Penny, seconded by Director Souder and unanimously carried, the minutes of the meeting were approved as revised.

PUBLIC COMMENT

None.

DISTRICTS' WEBSITE

Director Souder suggested that revisions be made to the Districts' website for clarity and ease of use by the community. Upon further discussion, the Board directed Director Morris to move forward with the changes.

UPDATE ON MAY 2,
2023 ELECTION

Ms. Luetjen advised the Board that at the close of business on February 27, 2023, there were not more candidates for Directors than offices to be filled on the Board of each District; therefore, as authorized by the Resolutions Calling for the Election, Sarah H. Luetjen, the Designated Election Official cancelled the elections.

ELECTION OF
OFFICERS

Following discussion, upon motion duly made, seconded and unanimously carried, the Boards elected the officers to the Boards as follows:

District No. 1:

Tim Zink – President
Jon Penny – Secretary
Patrick Morrissey – Treasurer
Mick Souder – Vice President/Assistant Secretary/Treasurer
Jeff Miller – Vice President/Assistant Secretary/Treasurer

District Nos. 2, 3 and 4:

Tim Zink – President
Kim Morris – Secretary
Brien Meyer – Treasurer
Jon Penny – Vice President/Assistant Secretary/Treasurer
Patrick Morrissey – Vice President/Assistant
Secretary/Treasurer

FINANCIAL REPORT

Director Meyer presented the financial reports for each District. After discussion and upon motion duly made by Director Penny, seconded by Director Meyer and unanimously carried, the Board of District No. 3 approved disbursements and payment of all invoices as set forth on the

summary attached hereto and incorporated herein by this reference. After discussion and upon motion duly made by Director Miller, seconded by Director Souder and unanimously carried, the Board of District No. 1 approved the financial statements as set forth on the summary. Upon motion duly made by Director Morris, seconded by Director Meyer and unanimously carried, the Board of District Nos. 2, 3 and 4 approved the financial statements as set forth on the summary.

2022 BUDGET
AMENDMENTS

Chairman Zink opened the public hearing to consider an amendment of the 2022 Budget for District No. 2, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Zink then closed the public hearing. Director Meyer 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 Penny, seconded by Director Meyer and unanimously carried, the Board adopted the Resolution to Amend 2022 Budget for District No. 2. Cockrel Ela Glesne Greher & Ruhland, P.C. will file the amendment document for District No. 2 with the Division of Local Government.

Chairman Zink opened the public hearing to consider an amendment of the 2022 Budget for District No. 3, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Zink then closed the public hearing. Director Meyer 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 Penny, seconded by Director Meyer and unanimously carried, the Board adopted the Resolution to Amend 2022 Budget for District No. 3. Cockrel Ela Glesne Greher & Ruhland, P.C. will file the amendment document for District No. 3 with the Division of Local Government.

Chairman Zink opened the public hearing to consider an amendment of the 2022 Budget for District No.4, after noting that notice of such hearing was published in accordance with statutory requirements. Chairman Zink then closed the public hearing. Director Meyer 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 Penny, seconded by Director Meyer and unanimously carried, the Board adopted the Resolution to Amend 2022 Budget for District No. 4. Cockrel Ela Glesne Greher & Ruhland, P.C. will file the amendment document for District No. 2 with the Division of Local Government.

2022 APPLICATION
FOR AUDIT
EXEMPTION,
DISTRICT NO. 2

Director Meyer presented that the Application for Audit Exemption for District No. 2. After discussion and upon motion duly made by Director Morris, seconded by Director Penny and unanimously carried, the Board of District No. 2 ratified the Application for Audit Exemption, as presented.

2022 AUDITS,
DISTRICT NOS. 1, 3
AND 4

The auditor is currently working on the audits. After discussion and upon motion duly made by Director Penny, seconded by Director Souder and unanimously carried, the Board of District No. 1 accepted the December 31, 2022 audited financial statements subject to final review and opinion. After discussion and upon motion duly made by Director Penny, seconded by Director Meyer and unanimously carried, the Board of District Nos. 3 and 4 accepted the December 31, 2022 audited financial statements subject to final review and opinion.

DEVELOPMENT
REPORT

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

Grasshoppers Landscaping & Lawn Service, LLC:

CO #1 to WO #17 - \$18,000

CO #1 to WO #18 - \$8,000

CO #1 to WO #19 - \$1,320

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.

Ms. Reese discussed various development and landscaping matters with the Board.

LEGAL UPDATE

The Board discussed the Professional Services Agreement by and between Lisa Reese and District No. 3. Upon motion duly made by Director Penny, seconded by Director Morris and unanimously carried, the Board of District No. 3 approved the Professional Services Agreement as presented.

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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Tim Zink
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Tim Zink

DocuSigned by:
Jon Penny
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Jon Penny

DocuSigned by:
Kim Morris
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Kim Morris

DocuSigned by:
Mick Souder
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Mick Souder

DocuSigned by:
Jeff Miller
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Brien Meyer
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