

## RECORD OF PROCEEDINGS

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### MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS FOR THREE SPRINGS METROPOLITAN DISTRICT NO. 4

HELD  
JULY 12, 2016

The Organizational Meeting of the Board of Directors (“Board”) of the Three Springs Metropolitan District No. 4 (the “District”) was held on July 12, 2016 at 3:45 p.m. at 175 Mercado Street, Suite 240, Durango, Colorado.

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#### ATTENDANCE

#### Directors in Attendance Were:

Patrick Morrissey  
Regina Dunn  
Tim Zink  
Patrick S. Vaughn  
Gary Whalen

#### Also in Attendance:

Ross Weiser of GF Properties Group, LLC (“GF Properties”)  
Dan Brown, GF Properties  
Jon Penny, GF Properties  
Stacy Toppin, GF Properties  
Suzy Hey, GF Properties  
Paul Cockrel of Collins Cockrel & Cole, via telephone  
Sarah H. Luetjen of Collins Cockrel & Cole, via telephone

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#### DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

Mr. Cockrel reported that general conflict of interest statements had been received from all directors and previously filed with the Secretary of State at least 72 hours in advance of the meeting, disclosing potential conflicts of interest as follows.

Chairman Morrissey is the Senior Vice President of and employed by GF Properties Group, LLC (“GFP”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“GRVP”), a

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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 the Vice President 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 are each indirectly owned by the Southern Ute Indian Tribe (the “Tribe”). The Tribe is the sole member of GFMC, LLC (“GFMC” and together with the Tribe, GFP, Tierra and GRVP, the “Companies”), which is also 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, nor does he have any other substantial financial interest in the Companies.

Director Vaughn is the President of GF Properties Group, LLC (“GFP”), a Colorado limited liability company, and employed by Southern Ute Growth Fund, 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 the District. Additionally, he is an officer 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 District. GFP, GRVP and Tierra are each indirectly owned by the Southern Ute Indian Tribe (the “Tribe”). The Tribe is the sole member of GFMC, LLC (“GFMC” and together with the Tribe, GFP, Tierra and GRVP, the “Companies”), which is also 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, nor does he have any other substantial financial interest in the Companies.

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Directors Whalen, Dunn and Zink are also employed by GFP. Additionally, Director Whalen is the Vice President of GFP.

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

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### NOTICE

Ms. Luetjen stated that Notice had been properly posted at least 72 hours prior to the meeting in three (3) public locations within the District's boundaries, and a copy was sent to the La Plata County Clerk and Recorder for posting on the bulletin board. The notice also included the agenda items. Certification of such posting is attached hereto.

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### OATHS/BOND

Ms. Luetjen reported that the Oaths of Office for Morrissey, Vaughn, Zink, Whalen and Dunn have been signed and filed with the La Plata County District Court, and copies filed with the La Plata County Clerk and Recorder, and Colorado Division of Local Government as required by law.

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A public official bond has been obtained for the Directors and Treasurer in the amount of \$1,000 per Director and \$5,000 for the Treasurer as required by law. The bond has been filed with the District Court and the Division of Local Government.

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### ELECTION OF OFFICERS

Upon nominations and motions duly made, seconded and unanimously carried, the following persons were elected as the officers of the District:

President/Chairman:	Patrick Morrissey
Treasurer:	Regina Dunn
Secretary:	Tim Zink
Vice President/Asst. Secretary/ Treasurer:	Gary Whalen
Vice President/Asst. Secretary/ Treasurer:	Patrick Vaughn

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### ESTABLISHMENT OF REGULAR MEETING DATE, TIME AND PLACE

Upon motion duly made, seconded and unanimously carried, the Board approved to hold consolidated regular meetings with Three Springs Metropolitan District Nos. 1, 2 and 3 at 175 Mercado Street, Suite 240, Durango, Colorado on the second Tuesday of every third month at 3:00 p.m.

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### NOTICE POSTING

Ms. Luetjen presented the Resolution designating the location to post the 24-hour agenda notices as required by statute. Upon motion duly made, seconded and unanimously carried, the Board adopted the Resolutions designating Suite 240 as the posting location, which Resolution is attached hereto and incorporated herein by this reference.

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### BYLAWS

Mr. Cockrel reviewed and summarized the proposed Bylaws for the District. Following discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Bylaws for the District, a copy of which is attached hereto and incorporated herein by this reference.

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### INDEMNIFICATION RESOLUTION

Mr. Cockrel reviewed the law relating to liability of public officials and the proposed Indemnification Resolution providing for personal protection of the Directors, officers and employees of the District. Following discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Indemnification Resolution, a copy of which is attached hereto and incorporated herein by this reference.

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### WORKERS COMPENSATION

Mr. Cockrel reviewed the Resolution Exercising Option to Not Provide Workers' Compensation Insurance Coverage for Board Members for Policy Year 2016. Upon motion duly made, seconded and unanimously carried, the Board adopted such Resolution, a copy of which is attached hereto and incorporated herein by this reference.

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### OPEN RECORDS

Mr. Cockrel presented and reviewed the Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records Requests. Upon discussion and motion duly made, seconded and unanimously carried, the Board adopted the Resolution, a copy of which is attached hereto and incorporated herein by this reference.

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### 2016 BUDGETS

Chairman Morrissey then opened the public hearing on the 2016 Budget and presented the proposed Budget. Thereupon, Chairman Morrissey closed the public hearing.

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After discussion and upon motion duly made, seconded and unanimously carried, the Board adopted the Resolution to Adopt Budget and Appropriate Sums of Money, thereby approving and certifying the 2016 Budget, a copy of which is attached hereto and incorporated herein by this reference. Ms. Luetjen was directed to file the 2016 Budget with the Division of Local Government, in accordance with statute.

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### TAX ID NUMBERS

Ms. Luetjen presented the Application for the Federal Employer Identification Number and the Public Deposit Protection Act Identification Numbers. Upon motion duly made, seconded and unanimously carried, the Board approved the Applications and directed Ms. Luetjen arrange for the appropriate filings.

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### BANK ACCOUNT

Upon motion duly made, seconded and unanimously carried, the Board authorized the establishment of a bank account for District No. 4.

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### IGA BETWEEN DISTRICT AND DISTRICT NO. 3

Mr. Cockrel discussed the Intergovernmental Agreement between the District and District No. 3. Upon discussion the Board will advise Mr. Cockrel the finalized terms and concept and at that time Mr. Cockrel will draft for Board approval.

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### GENERAL COUNSEL APPOINTMENT

Mr. Cockrel discussed engagement of general counsel and accountants with the Board. GRVP and Collins, Cockrel & Cole, P.C. are already formally engaged with District No. 3 and it has been

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decided there is no need for separate counsel or accountants for District No. 4.

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### FUNDING AGREEMENT

Mr. Cockrel informed the Board that this item will be tabled until the next regular meeting.

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### CSD PROPERTY AND LIABILITY INSURANCE PROPOSAL

Mr. Cockrel discussed the Colorado Special Districts Property and Liability Pool coverage and proposal. Upon motion duly made, seconded and unanimously carried, the Board approved coverage and directed Ms. Luetjen to file the executed Resolution and Intergovernmental Agreement with the Colorado Special Districts Property and Liability Pool.

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### ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned.

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Sarah H. Luetjen, Secretary for the Meeting

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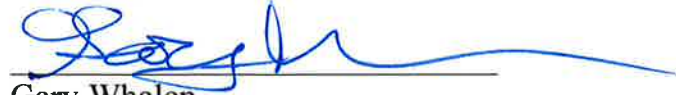
APPROVED



Patrick Morrissey



Tim Zink



Gary Whalen



Regina Dunn



Patrick Vaughn