

THREE SPRINGS METROPOLITAN DISTRICT NO. 4
CITY OF DURANGO, COLORADO
2024 ANNUAL REPORT

City of Durango,
via Email

Division of Local Government,
via E-Filing Portal
1313 Sherman Street
Room 521
Denver, Colorado 80203

Office of the State Auditor,
via E-Filing Portal
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

La Plata County Clerk and Recorder,
via Email

The following information and documents (attached as exhibits) are provided for the above-referenced calendar year pursuant to Section XI of the Service Plan of the Three Springs Metropolitan District No. 4 (the “**District**”) approved by the City Council of the City of Durango (the “**City**”) and filed with the District Court and City Clerk:

1. Boundary changes made in 2024:

There were no changes made to the District’s boundaries during the calendar year 2024.

2. Intergovernmental Agreements entered into or terminated in 2024:

The District did not enter into or terminate any Intergovernmental Agreements in 2024.

3. Bylaws, Rules and Regulations of the District Regarding Bidding, Conflict of Interest, Contracting and Other Government Matters.

The District’s bylaws were filed with the District’s 2016 Annual Report. The District’s amended and restated bylaws were filed with the District’s 2020 Annual Report. Attached as Exhibit A are the current conflict of interest disclosures for all directors.

4. Access information to obtain a copy of the Rules and Regulations:

The District has not adopted Rules and Regulations; however, the District has adopted bylaws and can be found on its public website: <https://www.threespringsdurango.com/residents-builders-businesses/metro-district/>

5. A summary of any litigation involving public improvements by the District:

The District is not aware of any litigation involving public improvements.

6. Construction Schedules and Capital Improvement Programs for Current Fiscal Year.

None. All construction work is performed by Three Springs Metropolitan District No. 3 (“District No. 3”).

7. List of facilities or improvements constructed by the District that were conveyed to the City in 2024:

None. All construction work is performed by District No. 3.

8. Final Assessed Value of Taxable Property within the District’s boundaries as of December 31, 2024:

The final 2024 total assessed value of taxable property within the boundaries of the District was \$3,502,260.

9. Budget:

Attached as Exhibit B is a copy of the District’s 2025 Budget.

10. Most recently filed audited financial statements of the District. To the extent audited financial statements are required by state law or most recently filed audit exemption:

The 2024 audited financial statements will be filed with the City Clerk upon completion.

11. Total Debt Authorized and Remaining Debt Authorized and Intended to be Issued.

The District has debt authorized by voters in the total amount of \$3,250,000 for capital improvements within the District and additional authorization to support debt service incurred for funding capital improvements in Three Springs Metropolitan District No. 1. The authorization date for the debt is May 3, 2016. On December 11, 2020, the District incurred debt in the principal amount of up to \$3,600,000 in the form of its Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2020A (the “Series 2020 Bonds”). As of December 31, 2024, the principal bond liability of \$1,787,309 with bond interest payable of \$5,813. The District has no remaining debt authorization for capital improvements within the District. The District does not intend to authorize additional debt at the present.

12. Official Statements of Outstanding Bonded Indebtedness if not Already Received by City.

A copy of the Official Statement for the District’s Series 2020 Bonds was filed with the 2020 Annual Report.

13. Notice of any uncured defaults:

The District is not in default of any debt.

14. The District's inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period:

The District is able to pay its financial obligations.

15. Name and Address/Telephone Number of District's Contact Person and Names and Terms of Members of Board of Directors and Officers.

Attached as Exhibit C is the contact information requested and the terms of the members of the Board of Directors, as of the date of this report.

16. Service Plan.

The District's Service Plan was filed with the 2016 Annual Report. The Service Plan has not been amended.

EXHIBIT A

Conflict of Interest Disclosures

**TIM ZINK
C/O GRVP, LLC
65 MERCADO STREET, SUITE 250
DURANGO, CO 81301**

January 3, 2024

Board of Directors
Three Springs Metropolitan District Nos. 1, 2, 3 and 4
65 Mercado Street, Suite 250
Durango, Colorado 81301

Honorable Jena Griswold
Colorado Secretary of State
1700 Broadway, Suite 270
Denver, Colorado 80290

**Re: Disclosure of Conflict of Interest
Three Springs Metropolitan District Nos. 1, 2, 3 and 4**

Dear Board Members and Honorable Secretary of State:

I, Tim Zink, am a Director and President of the Three Springs Metropolitan District Nos. 1, 2, 3 and 4 (“**Districts**” or individually, “**District No. 1, District No. 2, District No. 3 or District No. 4**” as applicable) located in the City of Durango (“**City**”), La Plata County, Colorado. I also am employed by GF Properties Group, LLC (“**GFP**”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“**GRVP**”), a Colorado limited liability company. GRVP is the owner and master developer of all or a significant share of the developable real property within each of the Districts. Additionally, I am an authorized representative of Tierra Vision 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**”), and GFMC is the manager of both GFP of GRVP. I am regularly authorized by GFMC to carry out various management activities of the Companies. Although I am an employee of GFP, and an officer or agent of the Companies, I am not an owner or creditor of the Companies or the Tribe, nor do I have any other substantial financial interest in the Companies or the Tribe.

There are various agreements between the Districts and one or more of the Companies. Among others, GFP acts as the construction manager for various infrastructure development activities of the Districts, which services are performed pursuant to the Management Services Agreement dated January 1, 2007 between GF Development Group, LLC and District No. 3, which has been since assigned and the current assignee is GFP. GRVP provides financing for the District’s infrastructure development activities pursuant to the Funding Agreement dated June 16, 2006 between

Board of Directors
Honorable Jena Griswold
January 3, 2024
Page 2

GRVP and District No. 3 and the Acquisition and Reimbursement Agreement dated May 1, 2007 between GRVP and District No. 3, as subsequently amended (together, the “**Agreements**”).

The Districts were created to construct and finance public improvements, as more specifically set forth in their respective Service Plans, and have been approved for such purposes by the Districts’ electors, the City and the District Court. The Districts have and/or will issue bonds or notes, and have incurred and/or will incur other financial obligations as hereinafter set forth, the proceeds of which will be used for public purposes, including the completion and/or acquisition and reimbursement of the costs of public infrastructure improvements and the reimbursement of funds advanced for such purposes to the Districts by the Companies or affiliated entities.

The Board of Directors of District No. 3 (“**Board of District No. 3**”) has previously issued the District No. 3 Limited Property Tax Supported Revenue Bonds, Series 2010 (“**Series 2010 Bonds**”) in the principal amount of \$16,900,000, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also issued the District No. 3 Junior Revenue Note, Series 2013 (“**Series 2013 Note**”) to GRVP in a principal amount not to exceed \$7,900,000, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Second Revised Junior Revenue Note, Series 2013 (“**Second Revised Series 2013 Note**”) to GRVP increasing the principal amount of the Series 2013 Note to an amount not to exceed \$11,500,000, the proceeds of which have been used to reimburse GRVP for costs incurred in completing additional public infrastructure improvements in accordance with the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Third Revised Junior Revenue Note, Series 2013 (“**Third Revised Series 2013 Note**”) to GRVP in a principal amount not to exceed \$11,500,000 for purposes of replacing the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also previously issued the District No. 3 Junior Revenue Note, Series 2020 (“**Series 2020 Note**”) to GRVP in a principal amount not to exceed \$7,600,000, the proceeds of which were or will be used to repay and/or reimburse certain money advances made for debt service and operating purposes by GRVP pursuant

Board of Directors
Honorable Jena Griswold
January 3, 2024
Page 3

to the Agreements and a Guaranty Agreement supporting the Series 2010 Bonds, for which appropriate disclosures were made at the time.

In addition to the District No. 3 obligations set forth above, the Board of Directors of District No. 1 (“**Board of District No. 1**”) has previously issued the District No. 1 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2020A (“**District No. 1 Series 2020A Refunding Bonds**”) in the principal amount of \$19,000,000, the proceeds of which were used to (i) refund the Series 2010 Bonds in full and (ii) repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 1 has also previously issued the District No. 1 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2020B (“**District No. 1 Series 2020B Refunding Bonds**”) in the principal amount of \$6,750,000, the proceeds of which were used to repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

Further, the Board of Directors of District No. 4 (“**Board of District No. 4**”) has previously issued the District No. 4 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A (“**District No. 4 Series 2020A Bonds**”) on a drawdown basis in the principal amount of \$3,600,000, the proceeds of which were or will be used to (i) reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) repay a portion of the Third Revised Series 2013 Note, for which appropriate disclosures were made at the time.

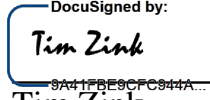

I believe that significant economic benefits have, and will be, received by the Districts under the Agreements, which have previously been disclosed and are being made in accordance with the terms of the Agreements as intended. My relationships with the Districts and the Companies, and the financial benefit resulting specifically from the Districts’ reimbursements to GRVP under the Agreements and/or from proceeds of the Districts’ bonds may, however, constitute a potential conflict of interest for me under State law necessitating this disclosure, including without limitation any action which I may take with respect to the approval and authorization of the acquisition and reimbursement of the costs of completion of such additional public infrastructure improvements and the repayment to GRVP and the Companies of funding advances made pursuant to the Agreements.

This disclosure is being made in accordance with the conflict of interest statutes, particularly Article 18 of Title 24, C.R.S. and §§32-1-902(3) and 18-8-308, C.R.S., and is intended to constitute both (i) a general disclosure of any potential conflict of interest and

Board of Directors
Honorable Jena Griswold
January 3, 2024
Page 4

(ii) a specific disclosure of any potential conflict of interest on my part with respect to the pending actions in full compliance with the requirements of State law. The foregoing disclosure shall be effective and continuing for all purposes until I advise the Boards of Directors of the Districts and the Colorado Secretary of State in writing of any changes in my status as disclosed herein.

Respectfully submitted,

By  
9A41F8E9CFC944A...
Tim Zink

**KIM MORRIS
C/O GRVP, LLC
65 MERCADO STREET, SUITE 250
DURANGO, CO 81301**

January 3, 2024

Board of Directors
Three Springs Metropolitan District Nos. 2, 3 and 4
65 Mercado Street, Suite 250
Durango, Colorado 81301

Honorable Jena Griswold
Colorado Secretary of State
1700 Broadway, Suite 270
Denver, Colorado 80290

**Re: Disclosure of Conflict of Interest
Three Springs Metropolitan District Nos. 2, 3 and 4**

Dear Board Members and Honorable Secretary of State:

I, Kim Morris, am a Director and Secretary of the Three Springs Metropolitan District Nos. 2, 3 and 4 (“**Districts**”) located in the City of Durango (“**City**”), La Plata County, Colorado. I also am employed by GF Properties Group, LLC (“**GFP**”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“**GRVP**”), a Colorado limited liability company. GRVP 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 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**”), and GFMC is the manager of both GFP and GRVP. I am regularly authorized by GFMC to carry out various management activities of the Companies. Although I am an employee of GFP, and an agent of the Companies, I am not an owner or creditor of the Companies or the Tribe, nor do I have any other substantial financial interest in the Companies or the Tribe.

There are various agreements between the Districts and one or more of the Companies. Among others, GFP acts as the construction manager for various infrastructure development activities of the Districts, which services are performed pursuant to the Management Services Agreement dated January 1, 2007 between GF Development Group, LLC and District No. 3, which has been since assigned and the current assignee is GFP. GRVP provides financing for the District’s infrastructure development activities pursuant to the Funding Agreement dated June 16, 2006 between GRVP and District No. 3 and the Acquisition and Reimbursement Agreement dated May 1, 2007 between GRVP and District No. 3, as subsequently amended (together, the “**Agreements**”).

The Districts were created to construct and finance public improvements, as more specifically set forth in their respective Service Plans, and have been approved for such purposes by the Districts' electors, the City and the District Court. The Districts have and/or will issue bonds or notes, and have incurred and/or will incur other financial obligations as hereinafter set forth, the proceeds of which will be used for public purposes, including the completion and/or acquisition and reimbursement of the costs of public infrastructure improvements and the reimbursement of funds advanced for such purposes to the Districts by the Companies or affiliated entities.

The Board of Directors of District No. 1 ("**Board of District No. 1**") has previously issued the District No. 1 Limited Property General Obligation Refunding Bonds, Series 2020A ("**Series 2020A Bonds**"), the proceeds of which were used in part to (i) refund the District No. 3 Limited Property Tax Supported Revenue Bonds, Series 2010 originally issued to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) pay a portion of the principal balance and accrued interest on the Third Revised Series 2013 Note (as defined below), for which appropriate disclosures were made at the time.

In addition to the Series 2020A Bonds, the Board of District No. 1 ("**Board of District No. 1**") has previously issued the District No. 1 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2020B ("**Series 2020B Refunding Bonds**"), the proceeds of which were used to (i) repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of Directors of District No. 3 (the "Board of District No. 3") has issued the District No. 3 Junior Revenue Note, Series 2013 ("**Series 2013 Note**") to GRVP, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Second Revised Junior Revenue Note, Series 2013 ("**Second Revised Series 2013 Note**") to GRVP increasing the principal amount of the Series 2013 Note to an amount not to exceed \$11,500,000, the proceeds of which have been used to reimburse GRVP for costs incurred in completing additional public infrastructure improvements in accordance with the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Third Revised Junior Revenue Note, Series 2013 ("**Third Revised Series 2013 Note**") to GRVP in a principal amount not to exceed \$11,500,000 for purposes of replacing the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also previously issued the District No. 3 Junior Revenue Note, Series 2020 (“**Series 2020 Note**”) to GRVP in a principal amount not to exceed \$7,600,000, the proceeds of which were or will be used to repay and/or reimburse certain money advances made for debt service and operating purposes by GRVP pursuant to the Agreements and a Guaranty Agreement supporting the Series 2010 Bonds, for which appropriate disclosures were made at the time.

Further, the Board of Directors of District No. 4 (“Board of **District No. 4**”) has previously issued the District No. 4 Limited Tax General Obligation Bonds, Series 2020A (“**District No. 4 Series 2020A Bonds**”) on a drawdown basis in the principal amount of \$3,600,000, the proceeds of which were or will be used to (i) reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) repay a portion of the Third Revised Series 2013 Note, for which appropriate disclosures were made at the time.

I believe that significant economic benefits have, and will be, received by the Districts under the Agreements, which have previously been disclosed and are being made in accordance with the terms of the Agreements as intended. My relationships with the Districts and the Companies, and the financial benefit resulting specifically from the Districts’ reimbursements to GRVP under the Agreements and/or from proceeds of the Districts’ bonds may, however, constitute a potential conflict of interest for me under State law necessitating this disclosure, including without limitation any action which I may take with respect to the approval and authorization of the acquisition and reimbursement of the costs of completion of such additional public infrastructure improvements and the repayment to GRVP and the Companies of funding advances made pursuant to the Agreements.

This disclosure is being made in accordance with the conflict of interest statutes, particularly Article 18 of Title 24, C.R.S. and §§32-1-902(3) and 18-8-308, C.R.S., and is intended to constitute both (i) a general disclosure of any potential conflict of interest and (ii) a specific disclosure of any potential conflict of interest on my part with respect to the pending actions in full compliance with the requirements of State law. The foregoing disclosure shall be effective and continuing for all purposes until I advise the Boards of Directors of the Districts and the Colorado Secretary of State in writing of any changes in my status as disclosed herein.

Respectfully submitted,

By 

Kim Morris

EXHIBIT B

2025 Budget

THREE SPRINGS METROPOLITAN DISTRICT NO. 4
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
For the nine months ended September 30, 2024
GENERAL FUND

	Audited 2021	Audited 2022	Audited 2023	2024				Budget 2025
				Budget	September YTD	Over (Under) Budget	Estimated Totals for 2024	
Beginning Fund Balance	\$ 45	\$ 45	\$ 45	\$ 3,600	\$ 3,476	\$ (124)	\$ 3,476	\$ 3,600
Revenues and Other Sources								
Property taxes								
Operations	9,410	14,253	14,030	18,566	19,238	672	19,238	17,511
Specific ownership taxes	-	-	1,450	1,857	1,254	(603)	1,554	1,751
Total Revenues and Other Sources	9,455	14,298	15,525	24,023	23,968	(54)	24,268	22,862
Expenditures and Other Uses								
Transfers to District No. 3								
Operations	9,127	13,825	11,555	19,816	19,890	74	20,041	18,687
Bank fees	-	-	73	50	25	(25)	50	50
Treasurer fees	283	428	421	557	577	20	577	525
Total Expenditures and Other Uses	9,410	14,253	12,049	20,423	20,492	69	20,668	19,262
Ending Fund Balance	\$ 45	\$ 45	\$ 3,476	\$ 3,600	\$ 3,476	\$ (123)	\$ 3,600	\$ 3,600

THREE SPRINGS METROPOLITAN DISTRICT NO. 4
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the nine months ended September 30, 2024
DEBT SERVICE FUND

	Audited 2021	Audited 2022	Audited 2023	2024				Budget 2025
				Budget	September YTD	Over (Under) Budget	Estimated Totals for 2024	
Beginning Fund Balance	\$ -	\$ 5,330	\$ 10,274	\$ 10,275	\$ 6,745	\$ (3,530)	\$ 6,745	\$ 6,745
Taxes								
Property taxes	-	84,686	126,270	167,110	168,247	1,137	168,247	164,941
Specific ownership taxes	330	10,076	13,040	16,711	11,290	(5,421)	14,890	16,494
Interest income	-	3	667	200	895	695	895	200
Bond transactions								
Bond proceeds	1,763,052	133,297	-	-	-	-	-	-
Total sources-2020 bond transactions	1,763,052	233,391	193,057	194,296	187,177	(7,119)	190,777	188,381
Total Revenues and Other Sources	1,763,382	233,392	150,251	194,296	187,177	(7,814)	190,777	188,381
Expenditures and Other Uses								
Debt Service								
2020 Bond Interest-Senior	-	51,349	57,649	56,640	28,320	(28,320)	56,640	58,849
2020 Bond principal	-	-	33,186	37,927	-	(37,927)	37,927	42,668
Treasurer fees	-	-	3,788	5,013	5,047	34	5,047	4,948
Bond Paying Agent Fees	5,500	-	7,455	7,500	-	(7,500)	7,500	6,000
Total general government	5,500	51,349	102,078	107,080	33,367	(73,713)	107,114	112,465
Bond transactions								
Transfer to District 3-2013 Junior Revenue Note	1,456,552	133,297	41,428	76,941	-	76,941	76,917	69,171
Transfer to District 3-COI Reimbursement	45,000	-	-	-	-	-	-	-
Cost of issuance	251,000	-	-	-	-	-	-	-
Total uses-2020 bond transaction	1,752,552	133,297	41,428	76,941	-	76,941	76,917	69,171
Total Expenditures and Other Uses	1,758,052	184,646	143,506	184,021	33,367	3,229	184,032	181,636
Ending Fund Balance	\$ 5,330	\$ 48,746	\$ 6,745	\$ 10,275	\$ 153,810	\$ 143,535	\$ 6,745	\$ 6,745

EXHIBIT C

Contact Information

Contact Person

Tim Zink
c/o GF Properties Group, LLC
65 Mercado Street, Suite 250
Durango, CO 81301
(970) 385-7770

Board of Directors

Tim Zink, President/Chairman
Term Expires May 2027
tzink@sugf.com

Kim Morris, Secretary
Term Expires May 2029
kmorris@sugf.com

Joseph LeMay, Treasurer
Term Expires May 2027*
bmeyer@sugf.com

Vacancy
Term Expires May 2027

Vacancy
Term Expires May 2027*

**This seat will be a 2-year term at the May 2027 Election*