

**RESOLUTION OF
WHISPERING PINES METROPOLITAN DISTRICT NO. 1
DIRECTING SURPLUS FUNDS TO RESERVES**

WHEREAS, the **WHISPERING PINES METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado ("District") was organized to provide services and to construct and maintain roads, parks and recreation facilities, drainage facilities and other amenities in and around the District; and

WHEREAS, the District was organized with the approval of the City of Aurora, State of Colorado, ("City") and with the approval of its electors; and

WHEREAS, the Service Plan contemplates that the District will construct or provide for the construction of, and in some instances will own, operate and maintain the roads, parks and recreation facilities, drainage facilities and other amenities (collectively the "Facilities") benefitting the District; and

WHEREAS, the Service Plan authorizes the District to assess ad valorem taxes for debt service and for operations and maintenance, and it further authorizes the District to assess within and without its boundaries fees, rates, tolls, penalties or charges for the purpose of paying the costs of construction, maintenance or acquisition of the Facilities; and

WHEREAS, the Board of Directors ("Board") of the District has found, and hereby declares, that the Facilities are being provided and maintained by the District and are of a direct benefit to the District; and

WHEREAS, the Board acknowledges that with ownership of the Facilities, there are maintenance, repair and replacement obligations that will arise over time for which the District will be financially responsible; and

WHEREAS, the Board of the District has found and does hereby find that it is in the best interests of the District to adopt a policy for responsible fiscal management whereby the Board shall direct that surplus funds, if any, be deposited into a dedicated operations and maintenance reserve fund ("Reserve Fund") on a not less than annual basis in order to accumulate funds for significant capital maintenance, repair and replacement projects ("Projects"); and

WHEREAS, the Board of the District, being fully informed and aware of its authority as an agency charged with the implementation of the relevant laws of the State of Colorado, has found and does hereby find that the collection and expenditure of District funds conform to Colorado law, including Const. Colo. Art. X, Sec. 20.

NOW, THEREFORE, it being in the best interests of the District, and in furtherance of the intents and purposes of the Service Plan, the Board of the District hereby resolves:

1. On a not less than annual basis, the Board of Directors, with the assistance of the District consultants, shall determine whether the District has surplus, unencumbered funds in the District's accounts. The determination regarding excess funds shall be made at the first regular meeting of the Board of Directors held each year, but not later than April 1st of each calendar year.

2. To the extent that the Board determines that the District's current and expected expenses are adequately provided for by funds on account or to be collected during the fiscal year at issue, the Board shall direct the District's accountant to transfer funds in excess of the budgeted expenses to the District's Reserve Fund. The intent is for the Board of Directors to move any unspent operating and maintenance surplus funds and any funds not required for the TABOR emergency reserve, to the Reserve Fund. The transfer to Reserve Fund directive shall be made by the Board of Directors no later than April 1st of each fiscal year.

3. Funds in the Reserve Fund are intended to be and will primarily be used for capital maintenance, repair and replacement projects identified in a formal reserve study ("Reserve Study") as the same may be updated from time to time, or for operations and maintenance purposes as contemplated herein and as approved by the Board of Directors in its reasonable discretion.

4. On behalf of and in the name of the District any officer of the District shall execute this Resolution.

RESOLVED THIS 18th DAY OF APRIL, 2023.

WHISPERING PINES METROPOLITAN DISTRICT NO. 1

By: 
Its: President

Attest:


Secretary