

**RESOLUTION OF  
INSPIRATION METROPOLITAN DISTRICT  
DIRECTING FUNDS TO RESERVES**

**WHEREAS**, the **INSPIRATION METROPOLITAN DISTRICT**, 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 to provide those services and to exercise powers as set forth in the Service Plan approved by the City Council 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's constituents; 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 District has commissioned a formal reserve study ("Reserve Study") to assist the District with quantifying the maintenance, repair and replacement obligations that the District will encounter in the future, and the District intends to rely on the reserve study for guidance in reserving funds now and in the future; 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 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 and the Finance Committee, 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 February 29 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 to the District's Reserve Fund, with the specific amount to be transferred determined by the Board on a not less than annual basis. The intent is for the Board of Directors to move unspent operating and maintenance surplus funds, if any, and any funds not required for the TABOR emergency reserve, to the Reserve Fund in an effort to meet the recommendations of the reserve study. The transfer to Reserve Fund directive shall be made by the Board of Directors to be effective as of December 31<sup>st</sup> of the applicable 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 the 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. Notwithstanding the provisions above, the Board of Directors in its reasonable discretion may choose to hold excess funds for other lawful purposes within the district in the current or ensuing fiscal year.

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

**RESOLVED THIS 13th DAY OF FEBRUARY, 2024.**

**INSPIRATION METROPOLITAN DISTRICT**

By:   
Its: E545AD00E25E466...  
President, Board of Directors

Attest:   
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Secretary