

RESOLUTION #2022-07

CHEROKEE METROPOLITAN DISTRICT

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT TO APPROVE CERTAIN AMENDMENTS TO THE OPERATING AGREEMENT OF CHEROKEE WATER, LLC

WHEREAS, Cherokee Water LLC (“CW LLC”) is a limited liability company formed in 2006 under the laws of the State of Colorado; and

WHEREAS, the corporate purposes of CW LLC described in Recital C of the December 4, 2006 Operating Agreement of CW LLC (“CW LLC Operating Agreement”), include the following:

Accordingly, the Members and Cherokee Metro are creating this LLC for the purposes of the LLC's holding title to the Water Rights and providing the water service commitment to the State of Colorado and El Paso County for the Members' proposed new developments within Cherokee Metro, and for entering into a water service agreement with Cherokee Metro establishing the terms and conditions for the acceptance and delivery of such water by Cherokee Metro to the Members; and

WHEREAS, Article X of the CW LLC Operating Agreement provides the Operating Agreement may only be amended or modified with the express written consent of the Board of Directors of the Cherokee Metropolitan District (the “District”); and


WHEREAS, the Board of Directors of the District has determined that it is in the best interests of the District to approve certain amendments to the CW LLC Operating Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO, AS FOLLOWS:

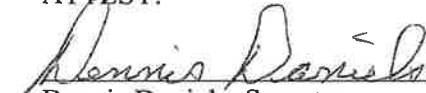
The District hereby approves the CW LLC Operating Agreement be amended as reflected in the attached Exhibit A.

ADOPTED AND APPROVED this 9 day of February 2022.

CHEROKEE METROPOLITAN DISTRICT

By: 
Steve Hasbrouck, President

ATTEST:

 9 FEB 22
Dennis Daniels, Secretary

(SEAL)

**FIRST AMENDED OPERATING AGREEMENT OF CHEROKEE WATER, LLC
A MANAGER-MANAGED LIMITED LIABILITY COMPANY**

RECITALS

A. Formation.

Cherokee Water, LLC, was formed by filing Articles of Organization with the State of Colorado Secretary of State's Office on November 30th, 2006 pursuant to the provisions of the Colorado Limited Liability Company Act, C.R.S. § 7-80-101.

B. Effective Date.

This First Amended Operating Agreement of Cherokee Water LLC ("Operating Agreement"), effective on the date of signing, is adopted by each Member of the LLC and the Manager whose signatures appear at the end of this Agreement.

C. Amendment.

This First Amended Operating Agreement shall supersede and replace the Operating Agreement of Cherokee Water, LLC originally executed by its Members and representatives of the Cherokee Metropolitan District on December 4, 2006 and recorded on December 15, 2006 at Reception #206182330 in the property records of El Paso County, Colorado ("Original Operating Agreement").

D. General Statement of Purpose.

The Cherokee Metropolitan District is a Colorado special district organized under the provisions of Title 32 of the Colorado Revised Statutes. The Cherokee Metropolitan District ("Cherokee Metro") provides water, sewer, streetlight, and park services to its service area which is generally located east of Powers Boulevard and north of Highway 24 in El Paso County, Colorado. The Members of the LLC are property owners or contract purchasers who are developing commercial and residential developments who are capable of receiving service from Cherokee Metro. In the past, Cherokee Metro issued water service commitments to the Members for their proposed developments located within Cherokee Metro's service area. Due to an adverse ruling by the Division 2 Water Court in Case No. 98CW80, however, Cherokee's ability to provide water service for the Members' new developments was delayed and Cherokee was determined by the Colorado State Engineer and El Paso County as having insufficient water resources to meet the water service commitments of the Members. In order for the Members' developments to proceed and receive water sufficiency findings from the State of Colorado and El Paso County, new sources of water must be acquired and/or provided to Cherokee Metro.

Accordingly, Cherokee Metro has identified certain water rights located within the Upper Black Squirrel Creek Designated Ground Water Basin as described on the

attached Exhibit A (the "Water Rights") and Cherokee Metro has entered into a contract to purchase said Water Rights.

The State of Colorado had previously determined Cherokee Metro had insufficient water to meet its then-current commitments, to the extent that Cherokee Metro acquired any new water rights, that new water would be used to reduce Cherokee Metro's then-current water balance sheet deficit and said new water would not be available to the Members for obtaining water sufficiency findings from the Colorado State Engineer and El Paso County. Accordingly, the Members and Cherokee Metro created this LLC for the purposes of the LLC's holding title to the Water Rights and providing the water service commitment to the State of Colorado and El Paso County for the Members' proposed new developments, and for entering into a water service agreement with Cherokee Metro establishing the terms and conditions for the acceptance and delivery of such water by Cherokee Metro to the Members. The issue with Cherokee Metro's water balance sheet deficit has been addressed. The terms of the water service agreement between Cherokee Metro and the Members shall be set forth in a separate agreement.

ARTICLE I DEFINITIONS

For the purposes of this Operating Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- 1.1 Act - The Colorado Limited Liability Company Act and all amendments to the Act.
- 1.2 Articles - The Articles of Organization of the LLC as properly adopted and amended from time to time by the Members and filed with the Colorado Secretary of State.
- 1.3 Assignee - A transferee of all or any part of a Member's Ownership Interest in the LLC who has not been admitted as either an Additional Member or a Substitute Member.
- 1.4 Capital Account - The account maintained for a Member or Assignee in accordance with the applicable tax code.
- 1.5 Operating Agreement - This Operating Agreement which includes all amendments adopted in accordance with this Operating Agreement and the Act.
- 1.6 Dissociation - Any action which causes a person to cease to be a Member as described in Article VII hereof.
- 1.7 Dissolution Event - An event, the occurrence of which will result in the dissolution of the LLC.

- 1.8 Initial Capital Contribution - The Capital Contribution made by the Members as described in Article V hereof.
- 1.9 LLC - Cherokee Water, LLC, a limited liability company formed under the laws of the State of Colorado, and any successor limited liability company.
- 1.10 Manager - Shall mean the general manager of Cherokee Metro or such other person as designated by the Board of Directors of Cherokee Metro.
- 1.11 Member - Any person identified in Article III who has executed this Operating Agreement, including Assignees that have been admitted as a Member pursuant to the terms hereof. Pursuant to Section 7.1 below, the Member interests of Morley Companies Family Development, LLLP and Sand Creek Investments North, LLC have terminated.
- 1.12 Cherokee Metropolitan District is a metropolitan district organized under the laws of the State of Colorado ("Cherokee Metro").
- 1.13 Water Rights - the water rights described in Exhibit A.
- 1.14 Serviced Property - are the proposed commercial and/or residential subdivision developments of the Members described in the attached Exhibits B and C for which water service will be provided by Cherokee Metro pursuant to water service agreements that shall be separate from and independent of this Operating Agreement.

ARTICLE II
COMPANY INFORMATION

2.1 Name.

The formal name of this LLC is as stated above. All business related to the operation of the LLC shall be conducted under the full name, including the LLC designation.

2.2 Organization.

The Members hereby organize Cherokee Water, LLC (hereinafter "LLC") as a Manager-managed Colorado limited liability company pursuant to the provisions of the Act.

2.3 Purpose.

The purpose of this LLC is limited to the express purposes stated in this Operating Agreement: (1) to hold title to the Water Rights.

2.4 Registered Office and Registered Agent.

The registered office address of this LLC is:

c/o Cherokee Metropolitan District
6250 Palmer Park Boulevard
Colorado Springs, CO 80915

The Colorado registered agent of this LLC is:

Cherokee Metropolitan District
6250 Palmer Park Boulevard
Colorado Springs, CO 80915

The Manager may, from time to time, change the registered agent or office through appropriate filings with the Colorado Secretary of State. In the event the registered agent ceases to act as such for any reason or the principal place of business shall change, the Manager shall promptly designate a replacement registered agent or file a notice of change of address as the case may be.

2.5 Duration.

This LLC shall terminate when the Board of Directors of Cherokee Metro elects to dissolve and transfer the Water Rights to Cherokee Metro as provided herein.

2.6 Agreement.

For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing the Operating Agreement hereby agree to the terms and conditions of the Operating Agreement. It is the express intention of the Members that the Operating Agreement shall be the sole source of agreement of the parties, and, except to the extent a provision of the Operating Agreement expressly incorporates federal income tax rules by reference to sections of the Code of Regulations or is expressly prohibited or ineffective under the Act, the Operating Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of the Operating Agreement is prohibited or ineffective under the Act, the Operating Agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of the Operating Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

ARTICLE III
MANAGEMENT

3.1 Members.

The names and addresses of the Members at the time of this Operating Agreement are as follows:

Powers & Galley Water LLC
c/o Owner/Manager, Ellicott Utilities Company
3296 Divine Heights #207
Colorado Springs, CO 80922

Marksheffel Business Center, LLC
454 Riverview Cr., Coquitlam, BC V3C 4X9
PO Box 38939
Colorado Springs, CO 80937

3.2 Management.

The business and affairs of the LLC shall be managed exclusively by its Manager. The Manager shall manage, direct, and control the business of the LLC to the best of his/her ability. Except for situations in which the approval of the Members is expressly required by this Operating Agreement or by any non-waivable provisions of the applicable law, the Manager shall have the full and complete authority, power, and discretion to manage and control the day to day business affairs and properties of the LLC, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the LLC's business. Unless a different manager shall be approved by the Board of Directors of Cherokee Metro, the Manager of the LLC shall be the General Manager of Cherokee Metro.

3.3 Agency Limitation.

Unless authorized to do so by this Operating Agreement or by the Members, no attorney-in-fact, employee, or other agent of the LLC shall have any power or authority to bind the LLC in any way, to pledge its credit or to render it liable for any purpose. The Manager is authorized to act as an agent on behalf of the LLC regarding the day to day business affairs and operation of the LLC, as provided by the terms of this Operating Agreement.

3.4 Restrictions on the Authority of Members to Change Manager or alter Duties of Manager.

The Members shall have no authority to change the Manager or modify the duties of the Manager absent the express consent of the Board of Directors of Cherokee Metro.

3.5 Liability of Manager.

Any Manager who so performs the duties as Manager in good faith and using ordinary care, shall not have any liability by reason of being or having been a Manager of the LLC. The Manager shall not be liable to the LLC or to any Member for any loss or damage sustained by the LLC or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, breach of this Agreement or a wrongful taking by the Manager.

No Manager of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it. The failure of the LLC to observe any formalities or requirements relating to the exercise of its powers, or management of its business or affairs, under this Operating Agreement or the Act shall not be grounds for imposing personal liability on any Member or Manager for liability of the LLC.

3.6 Duties of Manager.

The Manager is responsible for the management, operation, and supervision of the LLC. The Manager shall perform its duties in good faith, acting in a manner it reasonably believes to be in the best interests of the LLC, and with such care as an ordinary prudent person in a like position would use under similar circumstances. The Manager shall not engage in any activities that would compete with the LLC's goals.

3.7 Indemnification of Manager.

The LLC shall indemnify the Manager and make advances for expenses to the maximum extent permitted under the Act.

3.8 Resignation or Vacancy.

The Manager of the LLC may resign at any time by giving written notice to the Members of the LLC. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified therein, the acceptance of such resignation shall not be necessary to make it effective. In the event of a resignation of the Manager or any vacancy in the Manager position, a new Manager shall be appointed by Cherokee Metro. No consent of the Members shall be required for the appointment of a new Manager.

3.9 Compensation.

The Manager shall not receive any base compensation for day-to-day duties performed in connection with their role as Manager.

3.10 Limitations on Manager's Authority.

As provided in this Operating Agreement and the water service agreements, a Member's interest in the Water Rights is held by the LLC and managed by Cherokee Metro for the Member's benefit. Accordingly, except as specifically provided herein regarding transfer of title of the Water Rights from the LLC to Cherokee Metro upon plat approval and recording for a Member's development, the Manager shall have no authority to pledge, encumber, assign, convey or otherwise transfer the Water Rights in any manner, absent the specific written consent of the Member.

ARTICLE IV
RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Liability of Members.

No Member of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it. The failure of the LLC to observe any formalities or requirements relating to the exercise of its powers, or management of its business or affairs, under this Operating Agreement or the Act shall not be grounds for imposing personal liability on any Member or Manager for liability of the LLC.

4.2 Member Compensation.

Members shall not be compensated as members of the LLC for performing any duties associated with such membership.

ARTICLE V
CONTRIBUTIONS AND CAPITAL ACCOUNTS

5.1 Member Contributions.

The Members provided Cherokee Metro with the funds to purchase the Water Rights as provided below:

<u>Name of Member</u>	<u>Water Rights</u>	<u>Amount paid to purchase Water Rights</u>
Morley Companies Family Development, LLLP*	22.68 acre feet	\$340,200.00
Sand Creek Investments North LLC*	76 acre feet	\$1,140,000.00
Powers & Galley Water LLC	54.03 acre feet	\$810,450.00
Marksheffel Business Center, LLC	68.29 acre feet	\$1,024,350.00
Total:	221 acre feet	\$3,315,000.00

*Pursuant to Section 7.1 below, the Member interests of Morley Companies Family Development, LLLP and Sand Creek Investments North, LLC have terminated.

Title to the Water Rights shall be held in the name of the LLC until such time as the Board of Directors of Cherokee Metro elects to have title to the Water Rights transferred to Cherokee Metro as provided herein.

The legal descriptions of the Serviced Property of each of the Members is set forth in Exhibits B and C, respectively. Pursuant to the Water Service Agreements entered into in accordance with this Operating Agreement, the Members' beneficial interest in the Water Rights as stated above is intended to be used to provide water service to the Serviced Property. Cherokee Metro shall have no obligation to provide water service to any other property or development than the Serviced Property.

5.2 Ownership Interest and Capital Accounts.

A Member's capital interest in this LLC shall be as stated in Section 5.1. It is not anticipated that Members shall be required to make additional capital contributions nor shall there be any profit or loss distribution as the purpose of the LLC is to hold title to the Water Rights and to enter into the Water Service Agreement with Cherokee Metro.

ARTICLE VI TRANSFER OF MEMBERSHIP INTEREST AND ADDITION OF NEW MEMBERS

6.1 Limitations on Transfer of Interest.

Except as specifically authorized in this Agreement, no Member shall have the right to sell, assign, encumber, transfer, exchange, or otherwise transfer or dispose of the Membership Interest or any interest in the Water Rights. In the event that any Member, without the Manager's authorization, attempts to sell, transfer, assign, convey, lease, encumber, pledge as collateral, or otherwise attempts to transfer or encumber any of its Membership Interest in any way, including as security for repayment of a liability, any such attempted transfer, pledge or encumbrance shall be null and void from its inception and unenforceable. If a Member wants to pledge its Membership Interest as security for a loan, it may do so only with the Manager's express written consent, Cherokee's express agreement with the lender regarding the loan terms, and provided that the same lender holds the security on the Serviced Property and the Membership Interest.

6.2 Sale or Exchange of Interest and admission of Additional Members.

A Member Interest shall be transferable only in accordance with this Section 6.2. In the event that a development proposed by a Member is not approved, or is approved for less density and water demand than is needed for the number of acre feet of the Water Rights allocated to the Member's Serviced Property as provided in 5.1 above, then (1) the Membership Interest may be transferred to the Owner of the Serviced Property if the Member is not the owner of the Serviced Property, or (2) with Cherokee Metro's approval and upon such terms as Cherokee Metro deems reasonably necessary, the Member may assign said excess water to other property. Alternatively, the Member may transfer all or part of its Membership Interest (and the corresponding interest in the Water Rights) to a Member or third party Assignee upon satisfaction of the following conditions:

(1) Cherokee Metro must approve of the specific property proposed to be serviced with the interest transferred to Assignee; and

(2) whether the Buyer is a Member or a third-party, a new water service agreement must be entered into between Cherokee Metro and the Assignee establishing the terms and conditions for Cherokee Metro's water service to the proposed property. If the Assignee is not an existing Member, then, assuming all of the above conditions are met and that the need for the LLC still exists, the third-party may be admitted as a new Member of the LLC.

ARTICLE VII
MEMBER DISSOCIATION

7.1 Upon execution of a water service agreement between a Member and Cherokee Metro for water service in the full amount of the Member interest, the Manager may with the approval of the Board of Directors of Cherokee Metro, transfer title to Cherokee Metro of that Member's interest in the Water Rights. Upon such transfer of title of the Water Rights, the Member's membership interest in this LLC shall terminate.

ARTICLE VIII
DISSOLUTION

8.1 Dissolution.

The LLC shall be dissolved and its affairs wound up upon the first to occur of the following events:

- (I) Upon the completion of the conveyance of title of all of the Water Rights from the LLC to Cherokee Metro.
- (II) The entry of a decree of dissolution of the LLC under state law.

8.2 Effect of Dissolution.

Upon dissolution, the LLC shall cease carrying on as distinguished from the winding up of the LLC business. However, the LLC shall not be terminated but shall continue until the winding up of the affairs of the LLC is completed and the Certificate of Dissolution has been issued by the Colorado Secretary of State.

ARTICLE IX
MEETINGS AND RECORD KEEPING

9.1 Meetings.

An annual meeting of the Members shall not be required but may be held by the Members and the Manager at their option.

Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by 75% of the Members. No meeting may take place without the attendance of the Manager. All meetings shall be at Cherokee Metro's offices.

9.2 Notice.

Notice of meetings shall be as prescribed by law.

9.3 Quorum.

Members constituting a 75% interest in the LLC shall constitute a quorum.

9.4 Proxy.

At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney in fact.

9.5 Action Taken by Members Without a Meeting.

Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more consents describing the action taken by each Member entitled to vote and delivered to the remaining Members. Action taken under this Section is effective when all Members entitled to vote have consented.

9.6 Minutes of Meetings.

The LLC shall not be subject to the statutory provisions of C.R.S. § 7-80-411 (1)(e) requiring minutes of every annual and special meeting; nor shall the LLC be bound by the requirements of C.R.S. § 7-80-711 requiring written consent for certain actions.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Membership Certificates.

The LLC shall be authorized to obtain and issue certificates representing or certifying Membership Interests in the LLC. Each certificate shall show the name of the LLC and the name of the Member, and shall state that the person named is a member of the LLC and is entitled to all the rights granted members of the LLC under the Articles of Organization, Operating Agreement, or the Act.

10.2 Title to LLC Assets.

All personal and real property of the LLC shall be held in the name of the LLC, and not in the names of individual Members.

10.3 Amendment or Modification.

The Articles of Organization and the Operating Agreement may only be amended or modified with the express written consent of the Board of Directors of Cherokee Metro.

10.4 Entire Agreement.

This Operating Agreement represents the entire and only lasting and binding agreement of the parties with respect to the subject matter covered herein. All negotiations, considerations, representations, and understandings between the parties are incorporated and merged herein.

10.5 Dispute Resolution.

In any dispute over the provisions of this Operating Agreement and in other disputes among the Members, if the Members cannot resolve the dispute to their mutual satisfaction, the matter shall be submitted to mediation. The terms and procedure for mediation shall be arranged by the parties to the dispute.

If good-faith mediation of a dispute proves impossible or if an agreed-upon mediation outcome cannot be obtained by the members who are parties to the dispute, the dispute may be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any party may commence arbitration of the dispute by sending a written request for arbitration to all other parties to the dispute. The request shall state the nature of the dispute to be resolved by arbitration, and, if all parties to the dispute agree to arbitration, arbitration shall be commenced as soon as practical after such parties receive a copy of the written request.

All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs and other expenses of arbitration. All arbitration decisions shall be final, binding and conclusive on all the parties to arbitration, and judgement may be entered by a court of appropriate jurisdiction upon such decision in accordance with the applicable law.

10.6 Wavier of Action for Partition.

Each Member, Substitute Member, Assignee, or any other party with an interest in the LLC irrevocably waives any right that it may have to maintain any action for partition with respect to the property of the LLC during the term of its existence.

10.7 Severability.

If any provision of this agreement is determined by a court or arbitrator to be invalid, unenforceable or otherwise ineffective, that provision shall be severed from the rest of this Agreement, and the remaining provisions shall remain in effect and fully enforceable.

10.8 Application of Colorado Law.

This Operating Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Colorado, and specifically the Act.

10.9 Execution of Operating Agreement.

This Operating Agreement may be executed in one or more counter parts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, we have hereunto set our hand and seals on the date set forth beside each name, to be effective upon this date.

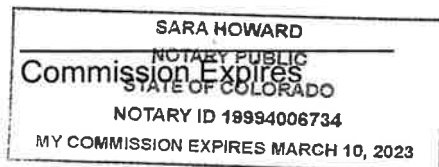
This Operating Agreement is executed this 9th day of February 2022.

MARKSHEFFEL BUSINESS CENTER, LLC

By: 
Grant Langdon, Manager/Owner

The foregoing First Amended Operating Agreement of Cherokee Water L.L.C. was executed before me this 9th day of February 2022 by Grant Langdon, Manager/Owner of Marksheffel Business Center, LLC.

Sara Howard
Notary Public
6250 Palmer Park Blvd
Colorado Springs, CO
Address



POWERS & GALLEY WATER, LLC

By: [Signature]
Powers & Galley Water, LLC *Jason Kwolek, Vice President*
By: ~~R. Randy Goodson, President, Ellicott Utilities Company, LLC~~
Owner/Manager of Powers & Galley Water, LLC

Vice The foregoing First Amended Operating Agreement of Cherokee Water L.L.C. was executed before me this 9th day of February 2022 by ~~R. Randy Goodson, President of Ellicott Utilities Company, LLC.~~ *Jason Kwolek,*

Sara Howard
Notary Public
6250 Palmer Park Blvd
Colorado Springs, CO
Address

SARA HOWARD
NOTARY PUBLIC
STATE OF COLORADO
~~Commission Expires~~
NOTARY ID 15934006734
MY COMMISSION EXPIRES MARCH 10, 2023

CHEROKEE METROPOLITAN DISTRICT

By: [Signature]
Steve Hasbrouck, President

The foregoing First Amended Operating Agreement of Cherokee Water L.L.C. was executed before me this 9th day of February 2022 by Steve Hasbrouck, President of Cherokee Metropolitan District.

Sara Howard
Notary Public
6250 Palmer Park Blvd
Colorado Springs, CO 80915
Address

SARA HOWARD
NOTARY PUBLIC
STATE OF COLORADO
~~Commission Expires~~
NOTARY ID 15934006734
MY COMMISSION EXPIRES MARCH 10, 2023

CHEROKEE WATER, LLC

By: *Amy Lathen*
Amy Lathen, Manager

The foregoing First Amended Operating Agreement of Cherokee Water L.L.C. was executed before me this 9th day of February 2022 by Amy Lathen, Manager of Cherokee Water, LLC.

Sara Howard
Notary Public
6250 Palmer Park Blvd
Colorado Springs, CO 80915

Address

Commission Expires

SARA HOWARD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19994006734
MY COMMISSION EXPIRES MARCH 10, 2023

Exhibit A - Description of Water Rights

Two-hundred and twenty one (221) acre feet of water established pursuant to the following: (1) Negotiated Settlement and Order from the Colorado Ground Water Commission dated December 4, 1991, Case No. 91-GW-01 (the "Order") attached hereto and incorporated by reference; (2) Well permit no. 27574-FP; and (3) Well permit no. 16253-FP (collectively the "Water Rights"); and the right to individually exercise any right(s) granted in the order; and the unconditional right to use the existing well(s) located in the Southwest Quarter of the Northeast Quarter of Section 36 Township 12 South Range West of the 6th p.m., El Paso County, Colorado to extract the water arising from said water rights.

Exhibit B – Marksheffel Business Center Serviced Property

PARCEL A:

A TRACT OF LAND LOCATED IN THE EAST ONE HALF OF SECTION 5, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH P.M., IN EL PASO COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE QUARTER CORNER OF SAID SECTION 5; THENCE (ASSUMING A BEARING OF S 89 DEGREES 54 MINUTES 28 SECONDS E FOR THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5) S 00 DEGREES 32 MINUTES 28 SECONDS W, ALONG THE NORTH-SOUTH CENTER LINE OF SAID SECTION 5, A DISTANCE OF 1213.99 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED HEREBY THENCE S 89 DEGREES 52 MINUTES 15 SECONDS E, A DISTANCE OF 2614.71 FEET TO THE WEST RIGHT OF WAY LINE OF EXISTING 60 FOOT WIDE MARKSHEFFEL ROAD; THENCE S 00 DEGREES 32 MINUTES 45 SECONDS W, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 414.93 FEET; THENCE N 89 DEGREES 55 MINUTES 53 SECONDS W, A DISTANCE OF 462.02 FEET; THENCE S 00 DEGREES 32 MINUTES 45 SECONDS W, A DISTANCE OF 660.00 FEET TO A POINT ON THE NORTH LINE OF THAT TRACT CONVEYED TO DANIEL P. HAMBLETON AND SHIRLEY A. HAMBLETON BY WARRANTY DEED RECORDED JUNE 8, 1965 IN BOOK 2077 AT PAGE 332 OF SAID COUNTY RECORDS; THENCE N 89 DEGREES 55 MINUTES 53 SECONDS W, ALONG THE NORTH LINE OF SAID HAMBLETON TRACT, A DISTANCE OF 169.14 FEET TO THE NORTHWEST CORNER OF SAID TRACT; THENCE S 00 DEGREES 32 MINUTES 41 SECONDS W, ALONG THE WEST LINE OF SAID HAMBLETON TRACT, A DISTANCE OF 327.17 FEET TO THE SOUTHWEST CORNER OF SAID TRACT, WHICH IS A POINT ON THE NORTH LINE OF THAT TRACT CONVEYED TO DON W. SMITH BY WARRANTY DEED RECORDED OCTOBER 16, 1964 IN BOOK 2039 AT PAGE 868 OF SAID COUNTY RECORDS; THENCE ALONG THE NORTHERLY, WESTERLY AND SOUTHERLY BOUNDARIES OF SAID SMITH TRACT FOR THE FOLLOWING THREE (3) COURSES: (1) N 89 DEGREES 56 MINUTES 05 SECONDS W, A DISTANCE OF 658.85 FEET; (2) S 00 DEGREES 31 MINUTES 41 SECONDS W, A DISTANCE OF 800.00 FEET; (3) S 89 DEGREES 58 MINUTES 05 SECONDS E, A DISTANCE OF 1290.00 FEET TO THE WEST RIGHT OF WAY LINE OF EXISTING 60 FOOT WIDE MARKSHEFFEL ROAD; THENCE S 00 DEGREES 31 MINUTES 41 SECONDS W, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 441.90 FEET TO THE NORTH LINE OF A TRACT CONVEYED TO LILY MAE ORCUTT, ET AL, BY EXECUTORS DEED RECORDED MARCH 20, 1972 IN BOOK 2475 AT PAGE 550 OF SAID COUNTY RECORDS; THENCE N 89 DEGREES 56 MINUTES 05 SECONDS W, ALONG THE NORTH LINE OF SAID ORCUTT TRACT, A DISTANCE OF 2614.90 FEET TO THE NORTHWEST CORNER OF SAID TRACT, WHICH IS A POINT ON THE NORTH-SOUTH CENTER LINE OF SAID SECTION 5; THENCE N 00 DEGREES 32 MINUTES 28 SECONDS E, ALONG SAID NORTH-SOUTH CENTER LINE, A DISTANCE OF 2646.89 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH P.M., IN EL PASO COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN WARRANTY DEED TO DON W. SMITH RECORDED OCTOBER 16, 1964 IN BOOK 2039 AT PAGE 868 OF THE RECORDS OF SAID COUNTY; THENCE N 89 DEGREES 56 MINUTES 05 SECONDS W, (ALL BEARINGS USED IN THIS DESCRIPTION ARE RELATIVE TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 5, WHICH WAS ASSUMED TO BE N 00 DEGREES 31 MINUTES 41 SECONDS E) ON THE SOUTHERLY LINE OF SAID PARCEL AND ITS WESTERLY PROLONGATION, 1971.54 FEET; THENCE S 00 DEGREES 31 MINUTES 41 SECONDS W ON A LINE PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION, 441.91 FEET TO A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN EXECUTORS DEED TO LILY MAE ORCUTT, ET AL, RECORDED MARCH 20, 1972 IN BOOK 2475 AT PAGE 550 OF THE RECORDS OF SAID COUNTY; THENCE S 89 DEGREES 56 MINUTES 05 SECONDS E ALONG SAID NORTH LINE, 1971.54 FEET TO A POINT ON A LINE BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH SAID EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 5; THENCE N 00 DEGREES 31 MINUTES 41 SECONDS E ON SAID PARALLEL LINE, 441.91 FEET TO THE POINT OF BEGINNING.

AND EXCEPTING ALL OF MARKSHEFFEL BUSINESS CENTER FILING NO. 1, EL PASO COUNTY, COLORADO

AND EXCEPTING ALL OF WILSHIRE SUBDIVISION FILING NO. 1, EL PASO COUNTY, COLORADO.

PARCEL B:

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH P.M., COUNTY OF EL PASO, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE EAST LINE OF SAID SOUTHEAST QUARTER TO BEAR N00°31'41"E: COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 5; THENCE N 89° 56' 05"W. ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER A DISTANCE OF 30 FEET TO THE WEST LINE OF THE COUNTY ROAD AS ESTABLISHED IN BOOK A AT PAGE 78 OF THE RECORDS OF EL PASO COUNTY, COLORADO, AND THE TRUE POINT OF BEGINNING; THENCE CONTINUING N 89° 56' 05" W. ALONG SAID NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 5, A DISTANCE OF 1,290.00 FEET; THENCE S 00°31'41"W., A DISTANCE OF 800 FEET; THENCE S89°56'05"E., A DISTANCE OF 1,290.00 FEET TO THE WEST LINE OF SAID COUNTY ROAD WHICH POINT IS 30 FEET WEST OF THE EASTERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 5; THENCE N00°31'41"E., ALONG THE SAID WEST LINE OF THE COUNTY ROAD AND PARALLEL TO THE EASTERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 5, A DISTANCE OF 800 FEET TO THE POINT OF BEGINNING, EXCEPT THE WEST 40 FEET THEREOF AND EXCEPT THOSE PORTIONS CONVEYED TO COUNTY OF EL PASO, COLORADO IN WARRANTY DEEDS RECORDED JANUARY 24, 1986 IN BOOK 5118 AT PAGE 952 AND MARCH 17, 1988 IN BOOK 5485 AT PAGE 625.

PARCEL C:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 5, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6th PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS ARE ASSUMED AND ARE BASED UPON THE WESTERLY LINE OF THE EAST HALF OF SECTION 5, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6th PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO AS BEARING N00°32'28"E FROM A 3 1/2" ALUMINUM CAP PLS# 22103 AT THE SOUTH AND A 3 1/4" ALUMINUM CAP, PLS# 30829 ON THE NORTH.

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 5; THENCE N00°32'28"E, ALONG THE WESTERLY LINE OF THE EAST HALF OF SAID SECTION 5, A DISTANCE OF 1374.42 FEET; THENCE S89°56'53"E, DEPARTING SAID WESTERLY LINE OF THE EAST HALF OF SECTION 5, A DISTANCE OF 1533.43 FEET; THENCE S45°19'12"W A DISTANCE OF 32.45 FEET; THENCE S41°59'15"W A DISTANCE OF 37.32 FEET; THENCE S38°36'00"W A DISTANCE OF 37.82 FEET; THENCE S35°09'42"W A DISTANCE OF 38.39 FEET; THENCE S31°40'44"W A DISTANCE OF 39.03 FEET; THENCE S28°09'40"W A DISTANCE OF 39.78 FEET; THENCE S24°37'11"W A DISTANCE OF 40.58 FEET; THENCE S21°02'55"W A DISTANCE OF 41.87 FEET; THENCE S17°33'59"W A DISTANCE OF 45.04 FEET; THENCE S14°31'33"W A DISTANCE OF 50.41 FEET; THENCE S12°07'24"W A DISTANCE OF 57.87 FEET; THENCE S10°22'06"W A DISTANCE OF 67.31 FEET; THENCE S09°10'03"W A DISTANCE OF 78.64 FEET; THENCE S08°23'47"W A DISTANCE OF 91.84 FEET; THENCE S07°56'23"W A DISTANCE OF 94.42 FEET; THENCE S13°39'11"W, NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE, A DISTANCE OF 341.70 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT, NON-TANGENT WITH THE FOLLOWING DESCRIBED LINE, HAVING A CENTRAL ANGLE OF 23°42'43", A RADIUS OF 482.95 FEET, A CHORD BEARING S13°23'33"W A DISTANCE OF 198.45 FEET AND AN ARC LENGTH OF 199.87 FEET; THENCE S00°47'32"W A DISTANCE OF 117.63 FEET TO A POINT ON THE SOUTHERLY LINE OF THE EAST HALF OF SAID SECTION 5; THENCE N89°54'03"W, ALONG SAID SOUTHERLY LINE OF THE EAST HALF OF SECTION 5, A DISTANCE OF 1163.73 FEET TO THE POINT OF BEGINNING.

Exhibit C – Powers & Galley Water, LLC Serviced Property

PARCEL A:

That portion of Section 7, Township 14 South, Range 65 West of the 6th P.M., El Paso County, Colorado, described in Book 5046, Page 748; and all of Powers and Galley Plaza Filing No. 1 as recorded in Plat Book A-5 at Page 30 of the records of said county, all being more particularly described as follows:

Beginning at the Southwest corner of the Northwest quarter of said Section 7; thence North 00 degrees 27 minutes 46 seconds East, 1407.69 feet along the West line of said Northwest quarter; thence North 89 degrees 59 minutes 53 seconds East, 1435.46 feet along the Southerly boundary line of the tract of land described in Book 3845 at Page 126 of said records, and along the Southerly boundary line of O.K. Subdivision as described in Plat Book G-3 at Page 42 of said records to the Southeasterly corner of said O.K. Subdivision, a point on the Westerly boundary line of Cimarron Industrial No. 2 as described in Plat Book Y-2 at Page 22 of said records; thence South 00 degrees 29 minutes 25 seconds West, 1375.25 feet along said Westerly boundary line of Cimarron Industrial No. 2, and along the Westerly boundary line of Cimarron Industrial No. 1 as described in Plat Book N-2 at Page 6 to the Southwest corner thereof, a point on the Northerly line of the tract of land described in Book 2230 at Page 932 of said records; thence North 89 degrees 42 minutes 00 seconds West, 444.88 feet along said Northerly line and along the Northerly line of the tract of land described in Book 2388 at Page 982 of said records to the Northwest corner thereof; thence South 00 degrees 18 minutes 00 seconds West, 40.00 feet along the Westerly line of said tract to the Southwest corner thereof, a point on the South line of said Northwest quarter of Section 7; thence North 89 degrees 42 minutes 00 seconds West, 990.00 feet along said South line of the Northwest quarter to the point of beginning.

Except the Southerly 40 feet of the Westerly 990 feet thereof as conveyed to El Paso County by Deed recorded January 15, 1965 in Book 2053 at Page 135 and by Deed recorded February 9, 1971 in Book 2388 at Page 981 and Page 982.

And except any portion hereof taken or used as Powers Boulevard including, but no limited to that certain tract conveyed to the City of Colorado Springs by Deed recorded October 27, 1987 in Book 5437 at Page 983.

And except that portion of Section 7, Township 14 South, Range 65 West of the 6th P.M., El Paso County, Colorado, and that portion of Powers

and Galley Plaza No. 1 as recorded in Plat Book A-4 at Page 30 of the records of said county all being more particularly described as follows:

Beginning at the Southeast corner of the additional right of way parcel as recorded in said Powers and Galley Plaza Filing No. 1 the following six (6) courses are along the Southerly, Westerly and Northerly lines of the additional right of way for Galley Road as recorded in said Powers and Galley Plaza Filing No. 1: (1) Thence North 89 degrees 42 minutes 00 seconds West, 960.06 feet; (2) thence North 00 degrees 27 minutes 47 seconds East, 170.42 feet; (3) thence along the arc of a curve concave to the Northeast, said curve having a chord bearing of South 44 degrees 37 minutes 07 seconds East, a central angle of 90 degrees 09 minutes 47 seconds and a radius of 150.00 feet for an arc distance of 236.05 feet; (4) thence South 89 degrees 42 minutes 00 seconds East, 29.52 feet; (5) thence South 85 degrees 53 minutes 09 seconds East, 150.33 feet; (6) thence South 89 degrees 42 minutes 00 seconds East, 330.00 feet to the Southwest corner of Lot 1, said Powers and Galley Plaza Filing No. 1 (the following two (2) courses are along the Westerly and Northerly lines of said Lot 1): (1) Thence North 00 degrees 27 minutes 47 seconds East, 200.00 feet; (2) thence South 89 degrees 42 minutes 00 seconds East, 300.09 feet to the Northwest corner of the tract of land described in Book 5168 at Page 1257 of said records (the following three (3) courses are along the Northerly, Easterly and Southerly boundary lines of said tract); (1) thence South 89 degrees 42 minutes 00 seconds East, 68.61 feet; (2) thence South 00 degrees 27 minutes 47 seconds West, 200.00 feet; (3) thence North 89 degrees 42 minutes 00 seconds West, 68.61 feet to a point on the Easterly boundary line of said Powers and Galley Plaza Filing No. 1; thence South 00 degrees 27 minutes 47 seconds West, 10.00 feet along said Easterly boundary line to the point of beginning.

And except that portion conveyed to UMB Properties, Inc., a Missouri Corporation by Deed recorded December 13, 1991 in Book 5913 at Page 737.

And except any portion lying within Powers Pointe Filing No. 5 recorded June 24, 2005 at Reception No. 205094827.