

RESOLUTION #2022-06

CHEROKEE METROPOLITAN DISTRICT

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT TO APPROVE THE TRANSFER OF TITLE TO WATER RIGHTS FROM CHEROKEE WATER, LLC TO CHEROKEE METROPOLITAN DISTRICT

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.

WHEREAS, Article III of the CW LLC Operating Agreement provides that the initial Members of CW LLC are 1) Morley Companies Family Development, LLLP (“Morley LLLP”), 2) Sand Creek Investments North LLC (“SCIN LLC”), 3) Powers & Galley Water LLC, and 4) Marksheffel Business Center, LLC; and

WHEREAS, Article III of the CW LLC Operating Agreement also provides that the Manager of CW LLC (“CW LLC Manager”) is the General Manager of Cherokee Metropolitan District; and

WHEREAS, the CW LLC Operating Agreement provides that Morley LLLP provided Cherokee Metro with funds to purchase 22.68 acre-feet per year of the “Water Rights” described in the CW LLC Operating Agreement; and

WHEREAS, the CW LLC Operating Agreement provides that SCIN LLC provided Cherokee Metro with funds to purchase 76 acre-feet per year of the “Water Rights” described in the CW LLC Operating Agreement; and

WHEREAS, Article VII of the CW LLC Operating Agreement provides as follows:

Upon a Member's obtaining final plat approval for the proposed development within the Serviced Property and the recording of said final plat, 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; and

WHEREAS, the descriptions of the Serviced Property for Morley LLLP and SCIN

LLC are attached to the CW LLC Operating Agreement as Exhibits B and C, respectively;
and

WHEREAS, Morley LLLP has obtained final plat approval for its proposed development within its Serviced Property (as described in Exhibit B to CW LLC Operating Agreement), and said final plat was recorded on August 17, 2007 at Reception # 207712644 in the El Paso County, Colorado Clerk and Recorder's Office; and

WHEREAS, SCIN LLC has obtained final plat approval for its proposed developments within its Serviced Property (as described in Exhibit C to CW LLC Operating Agreement), and said final plats were recorded on June 11, 2014 at Reception # 214713468, and on July 28, 2016 at Reception # 216713822 in the El Paso County, Colorado Clerk and Recorder's Office; and

WHEREAS, the Board of Directors of Cherokee Metropolitan District (the "District") has determined that it is in the best interests of the District to transfer from CW LLC to the District, title to the Water Rights associated with the CW LLC Member interests of Morley LLLP and SCIN LLC, in accordance with the CW LLC Operating Agreement; and

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 transfer from CW LLC to Cherokee Metropolitan District title to the Water Rights associated with the CW LLC Member interests of Morley LLLP and SCIN LLC, in the total amount of 98.68 acre-feet per year.

The District further acknowledges that under Section VII of the CW LLC Operating Agreement, the Membership interests of Morley LLLP and SCIN LLC will terminate upon the transfer of the Water Rights as approved herein.

ADOPTED AND APPROVED this 9th day of February 2022.

CHEROKEE METROPOLITAN DISTRICT

By: 
Steve Hasbrouck, President

ATTEST:

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Dennis Daniels, Secretary

(SEAL)