

**CITY OF GREELEY, COLORADO  
RESOLUTION \_\_\_\_\_, 2021**

**A RESOLUTION AUTHORIZING THE CLOSING OF THE TRANSACTION CONTEMPLATED BY THE  
AMENDED AND RESTATED MASTER PURCHASE, SALE AND RAW WATER CREDIT ADMINISTRATION  
AGREEMENT (TERRY RANCH) AND TAKING RELATED ACTIONS**

WHEREAS, the City of Greeley (City) is a Colorado home rule municipality empowered pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution to, *inter alia*, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for use of the City; and

WHEREAS, Section 17-4 of the City Charter and Section 14.04.110 of the Greeley Municipal Code authorize and require the Water and Sewer Board ("Board") to, *inter alia*, acquire water and sewer assets for the City; and

WHEREAS, the City, acting by and through its Water Enterprise (the Enterprise), and pursuant to Board approval on February 17, 2021, entered into the Amended and Restated Master Purchase, Sale and Raw Water Credit Administration Agreement (Terry Ranch), effective June 23, 2020, (the Master Agreement) with Wingfoot Water Resources, a Delaware limited liability company (previously known as Wingfoot Water Resources, a Colorado limited liability company) (Wingfoot) for the purchase and sale of water rights and related property rights (the Asset), the consideration for which includes the City's creation and acceptance of 12,121 raw water dedication credits (Credits), evidenced by certificates issued by the Water and Sewer Department (Certificate) (collectively, the Transaction); and

WHEREAS, pursuant to the terms of the Master Agreement, Water and Sewer staff and the City's consultants have conducted and reported the findings of various surveys, water quality and soils tests, environmental and ecological assessments, test borings, engineering tests, cost evaluations, environmental audits and tests, feasibility studies and other inspections, investigations and analyses deemed necessary or appropriate in connection with the City's intended acquisition, use and development of the Asset (Inspection); and

WHEREAS, the City retained independent, third-party consultants with expertise in hydrogeology, geochemistry, water quality, and water treatment to review the finding of the various investigations and analyses; and

WHEREAS, Section 6.1.A of the Master Agreement requires, as a condition of closing, that both the Board and City Council authorize closing on the Asset after the Inspection has been completed; and

WHEREAS, on February 17, 2021, the Board considered the results of the Inspection and was satisfied with the condition of the Asset; and

WHEREAS, the Board found that closing on the Asset would be in the best interest of the citizens of Greeley and authorized the same; and

WHEREAS, City Council has considered the results of the Inspection and is also satisfied with the condition of the Asset; and

WHEREAS, City Council finds that closing on the Asset is in the best interest of the citizens of Greeley; and

WHEREAS, after closing on the Asset a certain number of Certificates will be held in escrow and subject to the put and call rights under in Article 11 of the Master Agreement. If either the put or call right is exercised in accordance with the terms specified therein, the City will be required to purchase from Wingfoot or its assignees the associated number of Credits exercised. Under the Master Agreement, the City payments for such Credits (the Put/Call Obligations) are required to be "Subordinate Obligations" within the meaning of Ordinance No. 41, 2018 (the Water Revenue Bond Ordinance); and

WHEREAS, capitalized terms not otherwise defined herein shall have the meaning set forth in the Master Agreement or the Water Revenue Bond Ordinance; and

WHEREAS, Pursuant to Section 18-8-308, Colorado Revised Statutes (C.R.S.), all known potential conflicting interests, if any, with respect to the Transaction have been disclosed to the City Council and to the Colorado Secretary of State. No member of the City Council has a personal or private interest, as such terms are used in Section 24-18-109, C.R.S., in the Transaction or any other subject matter of this resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GREELEY, COLORADO, AS FOLLOWS.**

1. City Council hereby authorizes the closing of the Transaction.
2. City Council hereby authorizes the creation of 12,121 Credits and the issuance and acceptance of Certificates evidencing the same pursuant to the terms of the Master Agreement and the terms and conditions attached to the Certificates.
3. All actions previously taken by the City, City Council, the Board, and officers, agents and employees of the City directed toward the undertaking of the Transaction are hereby ratified, approved and confirmed.
4. The officers, employees and agents of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation, the preparation and delivery of the documents required for closing pursuant to the Master Agreement.
5. The Council hereby confirms that it has irrevocably pledged the Net Revenues, on an expressly subordinate basis, for the payment of the Put/Call Obligations. Such pledge shall create an irrevocable subordinate lien on the Net Revenues, expressly subordinate to the lien of Parity Obligations currently Outstanding or issued in the future as provided in Section 25 of the Water Revenue Bond Ordinance. This pledge shall be valid and binding and the Net Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or any filing or further act. Net

Revenues, to the extent available on a subordinate basis, in amounts sufficient to make all of the payments pursuant to the Put/Call Obligations are hereby pledged for said purposes, and said amounts for each year shall be included in the annual budget and appropriation ordinances or measures to be adopted or passed by the Council in each year respectively until the Put/Call Obligations are paid in full.

6. The Council hereby confirms the provisions of the Master Agreement contemplating that such pledge shall also secure Subordinate Revenue Notes, if any are issued pursuant to Section 17.18 of the Master Agreement.
7. The Put/Call Obligations shall be special, limited obligations of the City, acting by and through the Enterprise, payable and collectible solely out of Net Revenues as provided herein and in the Master Agreement.
8. This Resolution shall become effective immediately upon its passage.

**PASSED AND ADOPTED, SIGNED AND APPROVED ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.**

ATTEST

CITY OF GREELEY, COLORADO

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor