

RESOLUTION NO. 1237

A RESOLUTION AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN PRINCIPAL AMOUNT NOT TO EXCEED \$11,415,000; AUTHORIZING THE ISSUANCE OF A SERIES 2019B CLEAN WATER SRF PROMISSORY NOTE IN THE PRINCIPAL AMOUNT OF SAID LOAN; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR CLEAN WATER SRF LOAN AND A SECURITY AGREEMENT PERTAINING TO SAID PROMISSORY NOTE; RATIFYING AND CONFIRMING A LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT AND A SECURITY AGREEMENT WITH THE CITY OF BROKEN ARROW; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; APPROVING VARIOUS COVENANTS AND AUTHORIZING EXECUTION OF OTHER DOCUMENTS PERTAINING TO SAID LOANS AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Broken Arrow Municipal Authority, Tulsa County, Oklahoma (the "Authority") was organized as a public trust under Title 60, Oklahoma Statutes 2011, Sections 176-180.4, as amended, for the purpose of furthering the public functions of the City of Broken Arrow, Oklahoma (the "City"); and

WHEREAS, the Authority is authorized under the Trust Indenture dated as of July 1, 1979, pursuant to which the Authority was created, to construct improvements to the City's water and wastewater systems; and

WHEREAS, the Authority has determined the need to acquire funds to pay costs or reimburse the payment of costs associated with work for the following purposes: rehabilitate the activated sludge management units at the Haikey Creek wastewater treatment plant, including construction of a concrete structure adjacent to the existing headworks to receive screened and degrittled wastewater, a concrete building to house blowers, a new junction box, installation of four new aeration basins and all related appurtenances (the "Project") and did heretofore apply to the Oklahoma Water Resources Board ("OWRB") for a loan in the estimated amount of \$11,415,000 for such purposes; and

WHEREAS, OWRB has approved a loan to the Authority in an aggregate principal amount not to exceed \$11,415,000 for the purpose of financing the Project; and

WHEREAS, the Authority has determined to accept the loan from OWRB and in order to evidence such loan, issue its Clean Water SRF Promissory Note to OWRB (the "Series 2019B CWSRF Note"), said obligation to be secured by a pledge of revenue derived by the Authority from its operation of the City's water, sanitary sewer and solid waste disposal systems (hereinafter collectively, the "System") and certain sales tax revenue of the City paid over to the Authority (the "Sales Tax Revenue").

NOW, THEREFORE, BE IT RESOLVED BY THE BROKEN ARROW MUNICIPAL AUTHORITY OF THE CITY OF BROKEN ARROW:

Section 1. Issuance of Note. The Authority is hereby authorized to accept a loan from OWRB in principal amount not to exceed \$11,415,000 for the purpose of financing the Project and in order to evidence such loan to issue its Series 2019B CWSRF Note in said principal amount payable to the order of OWRB and to secure payment of said Note with a pledge of revenue derived from the operation of the System and Sales Tax Revenue, provided, however, the lien on such revenues securing said Note shall be subject and subordinate in all respects to the lien thereon securing the Authority's (i) Series 2012 Promissory Note to OWRB issued in the principal amount of \$29,755,000, (ii) Series 2015 Promissory Note to OWRB in the principal amount of \$11,900,000, (iii) Series 2017A Promissory Note to OWRB in the principal amount of \$6,505,000, (iv) Series 2017B Promissory Note to OWRB in the principal amount of \$18,565,000, and (v) Series 2018A Promissory Note in the principal amount of \$19,770,000, but pari-passu with other outstanding OWRB State Revolving Fund loans.

Section 2. Execution of Documents. The Authority hereby approves the following financing documents and authorizes the Chairman, or in the event of his absence or incapacity, the Vice Chairman, in said officer's sole discretion to approve such modifications, additions, deletions or other changes thereto as may be requested or required to obtain the loan described herein and further authorizes said officers to execute and deliver such documents for and on behalf of the Authority, together with any additional documents, instruments or certificates necessary or attendant to the closing of said loan:

(i) Loan Agreement for Clean Water SRF Loan by and between the Authority and the OWRB pertaining to the Series 2019B CWSRF Note (the "Series 2019B CWSRF Loan Agreement");

(ii) Security Agreement between the Authority and OWRB pertaining to the Series 2019B CWSRF Note (the "Series 2019B CWSRF Security Agreement"); and

(iii) Trust Agreement between the Authority and BOKF, NA, as Trustee.

Section 3. Designation of Local Trustee. The Borrower hereby designates BOKF, NA, to serve as Local Trustee of certain funds in relation to the Series 2019B CWSRF Note.

Section 4. Covenants of Borrower. Until the Series 2019B CWSRF Note has been paid in full and all obligations owing to OWRB under the Series 2019B CWSRF Loan Agreement and the instruments executed pursuant hereto have been performed and satisfied, unless OWRB shall otherwise consent in writing, the Authority hereby represents its intent to abide by and carry out the covenants contained in the Series 2019B CWSRF Loan Agreement and Series 2019B CWSRF Security Agreement, including particularly but not limited to, the covenants in Section 2.4(G) of the Series 2019B CWSRF Loan Agreement, which covenants are incorporated herein in their entirety.

Section 5. Ratification of Lease Agreement and Security Agreement. The Lease Agreement and Operation and Maintenance Contract dated as of August 1, 1979, between the City and the Authority (the "Lease"), whereby the City leases the System to the Authority and whereby the Authority agrees to operate and maintain said System, and the Security Agreement dated as of June 1, 1992, between the City and the Authority whereby the City, in consideration for the Authority's agreement to issue certain obligations for the benefit of the City and to operate and maintain the System for the benefit of the City, agrees to annually appropriate and pay all sales tax proceeds derived from City Ordinance 714 over to the Authority to be used exclusively for the purposes set out in said Ordinance, are hereby ratified and confirmed and the terms of said Lease and Security Agreement are hereby extended until the Series 2019B CWSRF Note is paid in full.

Section 6. Fees and Expenses. Upon closing of the loan transaction described herein, the Chairman or Vice Chairman of the Authority is hereby authorized to disburse (from loan proceeds or other available funds of the Authority) to the Authority's Financial Advisor, Bond Counsel and Trustee and OWRB their respective fees and expenses relative to the issuance of the Series 2019B CWSRF Note, all as to be more fully set out in a Closing Order of the Authority to be executed and delivered upon issuance of said Note.

Section 7. Necessary Action. The Chairman, Vice Chairman, Secretary and Assistant Secretary of the Authority are hereby authorized to approve disbursement of the proceeds of the Series 2019B CWSRF Note; to accept, receive, execute, attest, seal and deliver all documentation, certifications and instruments and to take such further actions as may be required in connection with the transaction contemplated hereby for and on behalf of the Authority, the execution and delivery of such documents being conclusive as to the approval of any terms contained therein.

This Resolution is approved in open meeting by the Broken Arrow Municipal Authority of the City of Broken Arrow on this 3rd day of June, 2019.

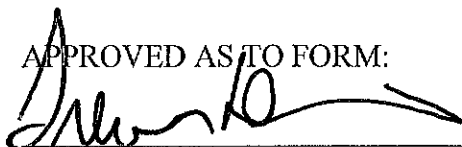
BROKEN ARROW MUNICIPAL AUTHORITY

(SEAL)

Chairman

Secretary

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY

CERTIFICATE
OF
AUTHORITY ACTION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Broken Arrow Municipal Authority.

I further certify that the Trustees of the Broken Arrow Municipal Authority held a Regular Meeting at 6:30 p.m. on June 3, 2019, following notice duly given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said Trustees at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that listed below are those Trustees present and absent at said meeting; the individuals making and seconding the motion that said Resolution be passed and approved, and those voting for and against said motion:

TRUSTEES PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 3RD DAY OF JUNE, 2019.

BROKEN ARROW MUNICIPAL AUTHORITY

Secretary