

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE BOARD OF TRUSTEES OF THE BROKEN ARROW MUNICIPAL AUTHORITY, TULSA COUNTY, OKLAHOMA, MET IN REGULAR SESSION IN THE COUNCIL CHAMBERS OF THE BROKEN ARROW CITY HALL, 220 SOUTH 1ST STREET, IN BROKEN ARROW, OKLAHOMA, ON THE 5TH DAY OF AUGUST, 2024, AT 6:30 P.M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read by title by the Secretary. Trustee _____ moved that the Resolution be adopted and Trustee _____ seconded the motion. The motion carrying with it the adoption of the Resolution prevailed by the following vote:

AYE:

NAY:

The Resolution as adopted is as follows:

RESOLUTION NO. 1596

A RESOLUTION OF THE BROKEN ARROW MUNICIPAL AUTHORITY (THE "BORROWER") AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,450,000; APPROVING THE ISSUANCE OF A SERIES 2024A PROMISSORY NOTE TO OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,450,000, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; DESIGNATING A LOCAL TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A SECURITY AGREEMENT; RATIFYING AND CONFIRMING A LEASE AGREEMENT; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT; APPROVING AND AUTHORIZING A NOTE PURCHASE AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING APPLICATION TO THE OKLAHOMA WATER RESOURCES BOARD; APPROVING AND AUTHORIZING PROFESSIONAL SERVICES AGREEMENTS; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Broken Arrow Municipal Authority, Tulsa County, Oklahoma (the “Borrower”), was organized under Title 60, Oklahoma Statutes 2021, 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 Borrower has heretofore issued its (i) Series 2015 Promissory Note to Oklahoma Water Resources Board dated July 30, 2015, in the original principal amount of \$11,900,000 (the “2015 FAP Note”); (ii) Series 2017A Promissory Note to Oklahoma Water Resources Board dated February 23, 2017, in the original principal amount of \$6,505,000 (the “2017A FAP Note”); (iii) Series 2017B Promissory Note to Oklahoma Water Resources Board dated February 23, 2017, in the original principal amount of \$18,565,000 (the “2017B FAP Note”); (iv) Series 2018A Promissory Note to Oklahoma Water Resources Board dated October 25, 2018, in the original principal amount of \$19,770,000 (the “2018A FAP Note”); (v) Utility System and Sales Tax Revenue Note, Taxable Series 2019 dated November 22, 2019, in the original principal amount of \$5,675,000.00 (the “2019 Note”); (vi) Series 2020A Promissory Note (Taxable) to Oklahoma Water Resources Board dated October 1, 2020, in the original principal amount of \$26,335,000 (the “2020A FAP Note”); (vii) Series 2020B Promissory Note to Oklahoma Water Resources Board dated October 1, 2020, in the original principal amount of \$7,585,000 (the “2020B FAP Note”); (viii) Series 2021B Promissory Note to Oklahoma Water Resources Board dated December 1, 2021, in the original principal amount of \$3,435,000.00 (the “2021B FAP Note”); (ix) Utility System and Sales Tax Revenue Note, Tax-Exempt Series 2023A dated January 3, 2023, in the original principal amount of \$21,497,000.00 (the “2023A Note”); and (x) Series 2023B Promissory Note to Oklahoma Water Resources Board dated November 8, 2023, in the original principal amount of \$19,185,000.00 (the “2023B FAP Note”, and together with the 2015 FAP Note, the 2017A FAP Note, the 2017B FAP Note, the 2018A FAP Note, the 2019 Note, the 2020A FAP Note, the 2020B FAP Note, the 2021B FAP Note, and the 2023A Note, referred to as the “Prior Senior Lien Indebtedness”); and

WHEREAS, the Borrower has heretofore issued its (i) Series 2004 Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated August 30, 2004, in the original principal amount of \$11,500,000 (the “2004 DWSRF Note”); (ii) Series 2012 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated December 4, 2012, in the original principal amount of \$6,540,000 (the “2012 CWSRF Note”); (iii) Series 2016 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated August 12, 2016, in the original principal amount of \$6,700,000 (the “2016 CWSRF Note”); (iv) Series 2018 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated January 11, 2018, in the original principal amount of \$2,100,000 (the “2018 CWSRF Note”); (v) Series 2019A Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated January 30, 2019, in the original principal amount of \$4,255,000 (the “2019A CWSRF Note”); (vi) Series 2019B Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated June 18, 2019, in the original principal amount of \$11,415,000 (the “2019B CWSRF Note”); (vii) Series 2020C Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated October 22, 2020, in the original principal amount of \$19,695,000 (the “2020C CWSRF Note”); (viii) \$16,285,000 Series 2021C Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated December 21, 2021 (the “2021C CWSRF Note”); and (ix) \$19,305,000 Series 2022 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated September 23, 2022 (the “2022 CWSRF Note”, and together with the 2004 DWSRF Note, the 2012 CWSRF Note, the 2016 CWSRF Note, the 2018 CWSRF Note, the 2019A CWSRF Note, the 2019B CWSRF Note, the 2020C CWSRF Note, and the 2021C CWSRF Note, referred to as the “Prior Subordinate Lien Indebtedness”); and

WHEREAS, the Borrower is authorized and has determined to finance the costs of certain improvements to the Borrower's water and sewer systems (the "Project") in order to better serve the customers of said Borrower and in payment of part of the cost thereof, to seek money in the form of a loan from the Oklahoma Water Resources Board (the "Board") in the amount of not to exceed \$21,450,000; and

WHEREAS, the Board has under consideration a loan application of the Borrower and the Borrower has determined to borrow money from the Board for the purpose of financing the Project and to evidence such loan by the issuance of the Borrower's Series 2024A Promissory Note to Oklahoma Water Resources Board in the original principal amount of not to exceed \$21,450,000 (the "2024A Note"), said 2024A Note being secured by a lien on the revenues derived from the water, sewer, and solid waste disposal systems of the Borrower (collectively, the "System") plus the revenues derived from the levy of a one percent (1.0%) sales tax; provided, said pledge and lien shall be on a parity in all respects with the Borrower's Prior Senior Lien Indebtedness; and

WHEREAS, it is the desire of the Borrower to authorize the execution and delivery of any and all documents necessary or attendant to the issuance of the 2024A Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE BROKEN ARROW MUNICIPAL AUTHORITY, TULSA COUNTY, OKLAHOMA:

Section 1. Issuance of 2024A Note. The Borrower is hereby authorized to accept said loan and issue its 2024A Note payable to the Board and secured by a pledge of revenue derived from the operation of the System and a year-to-year pledge of the Sales Tax Revenue and the officers of the Borrower are hereby authorized and directed to execute said 2024A Note and to do any and all lawful things to effect said loan and secure said loan from the Board. The principal amount of the 2024A Note shall not exceed \$21,450,000.00, the Net Interest Cost on the 2024A Note shall not exceed 6.5% per annum, and the maturity date shall be not later than October 1, 2054. The Chairman or Vice Chairman shall be authorized to execute a Certificate of Determination establishing the principal amount, maturity, and rate of interest on the 2024A Note. It is contemplated that interest on the Note will be excludable from gross income for federal income tax purposes. In the event it is recommended by Borrower's Financial Advisor that the Note be issued on a taxable basis (interest would be included in gross income for federal income tax purposes), the Chairman or Vice Chairman shall also be authorized to make this determination pursuant to the Certificate of Determination.

Section 2. Designation of Local Trustee. The Borrower hereby designates BOKF, NA, to serve as the Local Trustee of certain funds in relation to the 2024A Note.

Section 3. Execution of Trust Agreement. The Trust Agreement by and between the Borrower and the Local Trustee, pertaining to the 2024A Note (the "2024A Trust Agreement") is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said 2024A Trust Agreement.

Section 4. Execution of Loan Agreement. The Loan Agreement by and between the Borrower and the Board, pertaining to the 2024A Note (the "2024A Loan Agreement") is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said 2024A Loan Agreement.

Section 5. Execution of Security Agreement. The Security Agreement by the Borrower in favor of the Board, pertaining to the 2024A Note (the “2024A Security Agreement”), whereby the Borrower gives a lien on the revenues of the System to the Board to secure payment of the 2024A Note is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and do all other lawful things to carry out the terms and conditions of said 2024A Security Agreement.

Section 6. Lease Agreement. The Lease Agreement and Operation and Maintenance Contract dated as of August 1, 1979 (the “Lease Agreement”), whereby the City leases its presently existing and hereafter acquired water, sanitary sewer, and solid waste disposal systems to the Borrower and the Borrower agrees to operate the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the 2024A Note is paid.

Section 7. Sales Tax Agreement. The Sales Tax Agreement dated as of November 1, 2019, by and between the City and the Borrower pertaining to the City’s agreement to annually appropriate and pay all sales tax proceeds derived from Ordinance No. 714 of the City over to the Borrower to be used exclusively for the purposes set out in said Ordinance, is hereby ratified and confirmed.

Section 8. Note Purchase Agreement. The Borrower hereby approves the Note Purchase Agreement by and between the Borrower and the Board, pertaining to the 2024A Note (the “2024A Note Purchase Agreement”) and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower be and are hereby authorized to execute and deliver said 2024A Note Purchase Agreement.

Section 9. Covenants of Borrower. Until payment in full of the 2024A Note and performance of all obligations owing to the Board under the 2024A Loan Agreement and the instruments executed pursuant hereto, unless the Board shall otherwise consent in writing, the Borrower hereby represents its intent to abide by and carry out the covenants contained in the 2024A Security Agreement and the 2024A Loan Agreement, which covenants are incorporated herein in their entirety.

Section 10. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the OWRB State Loan Program (FAP); and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized to execute said Application(s) for and on behalf of the Borrower. The Borrower is further authorized to advance to the Oklahoma Water Resources Board the necessary application fees in connection with the referenced Application(s).

Section 11. Professional Services Agreements. The Borrower is authorized to enter into a legal services agreement with The Public Finance Law Group PLLC, as the Borrower’s Bond Counsel and a professional services agreement with Municipal Finance Services, Inc., as the Borrower’s Financial Advisor.

Section 12. Fees and Expenses. Upon closing of the referenced loan, the officers of the Borrower are hereby authorized to disburse (from loan proceeds or other available funds of the Borrower) certain fees and expenses all as set forth on Exhibit “A” hereto, all as more fully set forth on the Borrower’s Closing Order to be executed in connection with the closing of the financing referenced herein.

Section 13. Necessary Action. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby further authorized on behalf of the Borrower to approve the disbursement of the proceeds of the 2024A Note and other funds of the Borrower in connection with the issuance of the 2024A Note and the accomplishment of the transaction contemplated hereby, including the execution of the Letter of Binding Commitment, and further, to accept, receive, execute, attest, seal and deliver the above mentioned documents and all additional documentation, certifications and instruments and to take such further actions as may be required in connection with the transaction contemplated hereby, and are further authorized to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Borrower, the execution and delivery of such documents being conclusive as to the approval of any terms contained therein.

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APPROVED AND ADOPTED THIS 5TH DAY OF AUGUST, 2024.

BROKEN ARROW MUNICIPAL
AUTHORITY

(SEAL)

Chairman

ATTEST:

Secretary

STATE OF OKLAHOMA)
)SS
COUNTY OF TULSA)

I, the undersigned, Secretary of the Broken Arrow Municipal Authority, Tulsa County, Oklahoma, an Oklahoma public trust, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Board of Trustees of said public trust held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the "Open Meeting Law" was complied with for such meeting.

GIVEN UNDER MY HAND THIS 5TH DAY OF AUGUST, 2024.

(SEAL)

Secretary

EXHIBIT "A"

Fees and Expenses Paid at Closing

Oklahoma Water Resources Board	
Issuance Costs	\$165,000.00*
The Public Finance Law Group PLLC	
Legal Fee and Expenses:	\$35,000, plus 0.5% of the gross proceeds of the 2024A Note over \$7,000,000 up to and including \$10,000,000, plus 0.25% of the gross proceeds of the 2024A Note over \$10,000,000; plus \$2,000 expenses
Municipal Finance Services, Inc.	
Financial Advisor Fee and Expenses:	\$35,000, plus 0.5% of the gross proceeds of the 2024A Note over \$7,000,000 up to and including \$10,000,000, plus 0.25% of the gross proceeds of the 2024A Note over \$10,000,000; plus \$2,000 expenses
BOKF, NA	
Trustee Acceptance Fee	\$750.00

* Not to exceed amount; to be established pursuant to Closing Order of Borrower