

RESOLUTION NO. 1140

A RESOLUTION AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN PRINCIPAL AMOUNT NOT TO EXCEED \$21,305,000; AUTHORIZING THE ISSUANCE OF A SERIES 2018 PROMISSORY NOTE NOT TO EXCEED SAID PRINCIPAL AMOUNT; APPROVING AND AUTHORIZING THE EXECUTION OF A NOTE PURCHASE AGREEMENT, LOAN AGREEMENT AND SECURITY AGREEMENT PERTAINING TO SAID PROMISSORY NOTE; DESIGNATING A LOCAL TRUSTEE; 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 finance and construct improvements to the City's water and sanitary sewer systems; and

WHEREAS, the Authority has made application to the Oklahoma Water Resources Board ("OWRB") for a loan from the OWRB Financial Assistance Program for the purpose of financing or refinancing all or a portion of the costs of acquisition, development, and utilization of storage and control facilities for water and sewage systems for the use and benefit of the public and for the conservation and distribution of water in or from reservoirs and other storage facilities, as more specifically described as follows, to wit: (i) construct a new pretreatment basin at the Verdigris water treatment plant, acquire property for the installment of a booster pump station at an existing water connection to Tulsa, design the restoration of a second ground storage tank on Tiger Hill, construct the replacement of the existing Lynn Lane trunk sewer line, construct the County Line trunk sewer line, acquire right-of-way easements for the rehabilitation of the Elm Creek trunk sewer line and other related construction and appurtenances (collectively, the "Projects"), (ii) satisfy the Local Reserve Requirement of the Financial Assistance Plan, if required and (iii) pay related costs of issuance; and

WHEREAS, the OWRB has approved a loan to the Authority in amount not to exceed \$21,305,000 for the above stated purposes and the Authority has determined to accept said loan and evidence same by the issuance of its promissory note to OWRB and to secure the payment of said note in repayment of the loan 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:

Section 1. Issuance of Note. The Authority is hereby authorized to accept a loan from OWRB for the purpose of financing or refinancing all or a portion of the costs of the above described Projects and, in order to evidence such loan, to issue its Series 2018 FAP Note payable to the order of OWRB and to secure the payment of principal of and interest on said Note with a pledge of revenue derived from the operation of the System and Sales Tax Revenue. The Series 2018 FAP Note shall not exceed the principal sum of \$21,305,000, shall mature within thirty (30) years of its date and shall have a true interest cost not to exceed 4.50%. The Chairman or Vice Chairman of the Authority is authorized to approve the precise principal amount, rate of interest and maturity of said Note within the above stated parameters upon the closing of said loan.

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

(i) Note Purchase Agreement between the Authority and OWRB to be dated the date of its execution;

(ii) Loan Agreement by and between the Authority and the OWRB to be dated as of the first day of the month within which the Series 2018 FAP Note loan closes (the "Loan Agreement"); and

(iii) Security Agreement between the Authority and OWRB to be dated as of the first day of the month within which the Series 2018 FAP Note loan closes (the "Security Agreement"); and

(iv) Trust Agreement between the Authority and BOKF, NA, as Local Trustee to be dated as of the first day of the month within which the Series 2018 FAP Note loan closes (the "Trust Agreement");

Section 3. Designation of Local Trustee. The Borrower hereby designates BOKF, NA, to serve as Local Trustee of certain funds relating to the Series 2018 FAP Note.

Section 4. Covenants of Borrower. Until the Series 2018 FAP Note has been paid in full and all obligations owing to OWRB under the 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 Loan Agreement and the Security Agreement, including particularly but not limited to, the covenants in Section 4.2(A) of the 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, is hereby ratified and confirmed and the terms of said Lease and Security Agreement are hereby extended until the Series 2018 FAP 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 approve payment (from loan proceeds or other available funds of the Authority) to the Authority's Financial Advisor, Bond Counsel, Local Trustee and OWRB their respective fees and expenses relative to the issuance of the Series 2018 FAP 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 or Assistant Secretary of the Authority are hereby authorized to approve disbursement of the proceeds of the Series 2018 FAP 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.

ADOPTED AND APPROVED THIS 2ND DAY OF OCTOBER, 2018.

BROKEN ARROW MUNICIPAL AUTHORITY

(SEAL)

Chairman

Secretary

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 October 2, 2018, following notice duly given in accordance with Title 25, Oklahoma Statutes 2011, Section 301-314, inclusive, as amended (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:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 2ND DAY OF OCTOBER, 2018.

BROKEN ARROW MUNICIPAL AUTHORITY

Secretary