

## CONTINUING DISCLOSURE POLICIES AND PROCEDURES

### FOR THE CITY OF BROKEN ARROW, OKLAHOMA

#### **Background**

The issuance and sale of certain municipal bonds, notes, certificates of participation or other obligations (collectively, "**Obligations**") are subject to certain federal and state securities laws, including Rule 15c2-12 (the "**Rule**") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Rule requires that an underwriter, prior to purchasing or selling an issue of Obligations in a principal amount of \$1,000,000 or more, obtain a written agreement from the issuer of such Obligations to provide certain financial information or operating data on an annual basis and notices of the occurrence of certain enumerated events with the Municipal Securities Rulemaking Board ("**MSRB**") using the MSRB's Electronic Municipal Market Access system ("**EMMA**"). The City of Broken Arrow, Oklahoma (the "**City**"), has issued or may issue Obligations which are covered by the Rule and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The City has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

The Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the issuer, and any other "Obligated Person" (as defined in the Rule) for whom financial or operating data is presented in the official statement, has undertaken in writing to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("**SID**"), if any:

- By a specified date, annual financial and operating information for each Obligated Person for whom financial information or operating data is presented in the official statement (an "Annual Information Filing");
- By a specified date, if available, audited annual financial statements for each Obligated Person ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;
- In a timely manner within 10 business days of occurrence, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and
- In a timely manner, not in excess of 10 business days after the occurrence, notice of a failure of any Obligated Person required to make the Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

**Note:** There is no SID currently in the State of Oklahoma. If the State of Oklahoma should establish a SID, the City also will be required to file all required information with the SID.

### **Responsible Party; Maintenance of List and Files**

The Responsible Party for the City shall be the Finance Director of the City and any alternate or assistant as the City Manager or the Finance Director shall appoint (the "Responsible Party"). The Responsible Party is directed to employ the policies and procedures described herein.

The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of the City outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

### **Dissemination Agents**

The City may utilize the services of a financial institution or other provider to act as dissemination agent (each, a "**Dissemination Agent**") in filing the disclosures and notices described herein and performing the duties of the Dissemination Agent in accordance with the terms of the applicable Continuing Disclosure Undertaking. The Dissemination Agent shall review and be familiar with the contents and filing requirements of the particular Continuing Disclosure Undertaking and with the procedures for making the filings required under such Continuing Disclosure Undertaking with the MSRB using the EMMA system. The Responsible Party shall coordinate the preparation and submission of the required information with such Dissemination Agent to ensure full compliance with the requirements of the Rule and the applicable Continuing Disclosure Undertakings.

### **Annual Information Filing Requirements**

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof. Generally, such Continuing Disclosure Undertakings provide or are expected to provide submission dates specified in the Continuing Disclosure Agreement. The City and the Responsible Party recognize and acknowledge that the terms, requirements and filing deadlines may vary by Continuing Disclosure Undertaking.

### **Annual Report Filings**

The Responsible Party will review the Continuing Disclosure Undertaking related to each outstanding issue of Obligations to determine the financial information required to be included in the Annual Report (i.e., the City's audited financial statements and certain other financial information or operating data with respect to the City, if applicable (the "**Annual Report**")) required to be filed annually with the MSRB using the EMMA system, and the deadline by which such information must be filed. Unless required otherwise by an Continuing Disclosure Undertaking and as permitted by EMMA filing procedures, the Responsible Party may file identical Annual Reports with respect to each issue of the City's Obligations. The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to File the Annual Report by the date(s) required under the terms of each Continuing Disclosure Undertaking, if applicable.

The Responsible Party shall timely initiate the process of preparing the financial information or operating data required to be submitted under each Continuing Disclosure Undertaking as part of the Annual Report. The Responsible Party shall assemble the information as soon as it becomes available and

determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

The Responsible Party will timely file the Annual Report, or will cause the Dissemination Agent to file the Annual Report, with the MSRB using the EMMA system. If the Audited Financial Statements are not then available, unaudited financial information may be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

#### **Listed Event Filings**

The Responsible Party will review the Continuing Disclosure Undertaking related to each outstanding issue of Obligations for the listed events which, upon the occurrence thereof, require prompt notices to be filed with the MSRB using the EMMA system. The Responsible Party will monitor the Obligations and the City's operations for occurrences of any such events and will actively evaluate whether an event may be a listed event as set forth in the City's outstanding Continuing Disclosure Undertakings. After obtaining actual knowledge of such an event, the Responsible Party will promptly contact the City's bond counsel and the Dissemination Agent, if any, to determine whether the City must file notice of the event with the MSRB under one or more of its Continuing Disclosure Undertakings. Upon a determination that the City must file such notice, the Responsible Party will file the appropriate notice, or will cause the Dissemination Agent to file such notice, with the MSRB using the EMMA system within ten (10) business days after the occurrence of the listed event or as the City's bond counsel may otherwise direct.

#### **Notices of Failures to File**

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

#### **Preparation**

Approximately 60 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

Not less than 30 days before the submission date, the Responsible Party shall prepare a draft submission of required financial and operating information, highlighting any information still unavailable.

On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party shall make the Annual Information Filing together with the Audited Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

The Responsible Party shall set calendar reminders in the City Finance Department's recordkeeping systems.

### **Familiarity with EMMA Submission Process**

The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at [emma.msrb.org](http://emma.msrb.org) in order to submit the required information. MSRB Support can also be contacted at 202-838-1330 or [MSRBsupport@msrb.org](mailto:MSRBsupport@msrb.org). A tutorial is available at the website and a practice submission is available as well.

The Responsible Party also shall enroll the City in EMMA's reminder system to ensure timely performance of their responsibilities and obligations.

### **Training Efforts**

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the EMMA submission process and an understanding of the timing requirements necessary for full compliance. The retention by the City of a Dissemination Agent to assist it with compliance under its Continuing Disclosure Undertakings and the Rule may be deemed part of such training process.

### **Coordination Effort**

The Responsible Party shall coordinate the preparation and submission of the required information with the Financial Advisor and corporate trustees and paying agents to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

### **Records Retention**

The Responsible Party shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of the City outstanding during each fiscal year. Such records shall be kept for at least 5 years after the respective issue of Obligations is no longer outstanding.

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Finance Director  
City of Broken Arrow

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Date

**EVENTS WITH RESPECT TO THE BONDS FOR WHICH  
LISTED EVENT NOTICES ARE REQUIRED**

1. Principal and interest payment delinquencies.
2. Nonpayment-related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional paying agent or the change of name of the paying agent, if material.
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.<sup>1</sup>
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.<sup>1</sup>

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<sup>1</sup> The Issuer intends to comply with Listed Events numbered 15 and 16 above, and the definition of “Financial Obligation”, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “**2018 Release**”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.