

R-1718-105
Resolution

A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY (THE "BORROWER") AGREEING TO FILE APPLICATION WITH THE OKLAHOMA WATER RESOURCES BOARD (THE "BOARD") FOR FINANCIAL ASSISTANCE THROUGH THE STATE LOAN PROGRAM, WITH THE LOAN PROCEEDS BEING FOR THE PURPOSE OF FINANCING CERTAIN WATER SYSTEM IMPROVEMENTS; AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000, 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 AN AMENDED LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT BETWEEN THE BORROWER AND THE CITY OF NORMAN, OKLAHOMA (THE "CITY"); APPROVING AND AUTHORIZING A NOTE PURCHASE AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING PROFESSIONAL SERVICES AGREEMENTS AND PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Norman Utilities Authority, Cleveland County, Oklahoma (the "Borrower") was organized under Title 60, Oklahoma Statutes 2011, Sections 176-180.4, as amended, for the purpose of furthering the public functions of The City of Norman, Oklahoma (the "City"); and

WHEREAS, the Borrower has under consideration the financing of certain water system improvements benefiting the customers of the Borrower (the "Project"); and

WHEREAS, the Oklahoma Water Resources Board has made monies available to qualified entities for the financing of certain qualifying projects; and

WHEREAS, the Borrower has determined to file an application(s) with the Oklahoma Water Resources Board (the "Board") to borrow money from the Board for the purpose of funding the costs of the Project, and to evidence such loan by the issuance of the Borrower's Series 2018 Promissory Note to Oklahoma Water Resources Board in the original principal amount of not to exceed \$12,000,000 (the "2018 Note"), said Note being secured by a pledge of revenue derived from Borrower's water and sanitary sewer systems (hereinafter collectively, the "System"), provided however, that the 2018 Note is not secured by the capital improvement charge

established pursuant to Section 21-107 of the Code of the City or the sewer service maintenance rate established pursuant to Ordinance No. 0001-56 of the City and codified in Section 21-112 of the Code of the City; and

WHEREAS, said pledge of revenue derived from the sale of water is subject to the pledge by the City for the purpose of purchasing water from the Central Oklahoma Master Conservancy District (the "District") pursuant to a Contract dated September 5, 1961, as amended by a First Amendment to Contract dated as of December 1, 2006, by and among the Borrower, the City, and the District (collectively, the "Conservancy District Contract"); and

WHEREAS, said pledge of revenues derived from the System is on a parity in all respects with the lien securing the Borrower's (i) Series 2000 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated June 21, 2000, issued in the original principal amount of \$4,850,000.00; (ii) Series 2009B Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated August 28, 2009, issued in the original principal amount of \$7,640,000.00; (iii) Series 2014 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated April 29, 2014, issued in the original principal amount of \$50,300,000.00; (iv) Utility System Revenue Note, Series 2015 dated March 10, 2015, and issued in the original principal amount of \$17,505,000.00; (v) Utility System Revenue Note, Series 2016 dated May 19, 2016, and issued in the original principal amount of \$9,380,000.00; and (vi) Series 2017 Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated January 31, 2017, issued in the original principal amount of \$31,000,000.00 (collectively, the "Existing 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 2018 Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE NORMAN UTILITIES AUTHORITY:

Section 1. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the State Loan Program; 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), if any.

Section 2. Issuance of Note. The Borrower is hereby authorized to accept said loan and issue its 2018 Note payable to the Board and secured by a pledge of revenues derived from the operation of the System and the officers of the Borrower are hereby authorized and directed to execute said 2018 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 2018 Note shall not exceed \$12,000,000, the Net Interest Cost on the 2018 Note shall not exceed 4.0% per annum, and the maturity date shall be not later than October 1, 2038. 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 2018 Note.

Section 3. Designation of Local Trustee. The Borrower hereby designates BancFirst, Oklahoma City, Oklahoma, to serve as the Local Trustee of certain funds in relation to the 2018 Note.

Section 4. Execution of Trust Agreement. The Trust Agreement by and between the Borrower and the Local Trustee, pertaining to the 2018 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 to do all other lawful things to carry out the terms and conditions of said Trust Agreement.

Section 5. Execution of Loan Agreement. The Loan Agreement by and between the Borrower and the Board (the "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 Loan Agreement.

Section 6. Execution of Security Agreement. The Security Agreement by the Borrower in favor of the Board (the "Security Agreement"), whereby the Borrower gives a lien on the revenues of the System to the Board to secure payment of the 2018 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 Security Agreement.

Section 7. Lease Agreement. The Amended Lease Agreement and Operation and Maintenance Contract dated as of November 1, 1984, whereby the City leased its water and sanitary sewer systems to the Borrower and whereby the Borrower agreed to operate and maintain the same (the "Lease Agreement"), is hereby ratified and confirmed, and the term of said Lease Agreement shall continue until such date as all bonds or indebtedness of the Borrower secured by and payable from the revenues of the referenced utility systems has been paid or provision for payment has been made.

Section 8. Note Purchase Agreement. The Borrower hereby approves the Note Purchase Agreement by and between the Borrower and the Board (the "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 Note Purchase Agreement.

Section 9. Covenants of Borrower. Until payment in full of the 2018 Note and performance of all obligations owing to the Board under the 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 Loan Agreement, which covenants are incorporated herein in their entirety.

Section 10. Professional Services Agreements; Fees and Expenses. The Borrower is authorized to enter into professional services agreements with The Public Finance Law Group PLLC and Floyd Law Firm, P.C., as Co-Bond Counsel, and Municipal Finance Services, Inc., as the Borrower's Financial Advisor. 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 in connection with the loan, including but not limited to said professional services agreements and the closing costs of the Board.

Section 11. 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 2018 Note and other funds of the Borrower in connection with the issuance of the 2018 Note and the accomplishment of the transaction contemplated herein, 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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PASSED AND APPROVED THIS 10TH DAY OF APRIL, 2018.

NORMAN UTILITIES AUTHORITY

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary

CERTIFICATE
OF
BORROWER ACTION

I, the undersigned, hereby certify that I am the duly and acting Secretary of the Norman Utilities Authority.

I further certify that the Trustees of the Borrower held a Regular Meeting at 6:30 o'clock p.m. on April 10, 2018, after due notice was 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 below is listed those Trustees present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved, and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 10TH DAY OF APRIL, 2018.

NORMAN UTILITIES AUTHORITY

(SEAL)

Secretary of Borrower