

**R-1314-121**  
***Resolution***

A RESOLUTION APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$50,300,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$50,300,000, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR CLEAN WATER SRF LOAN; DESIGNATING A LOCAL TRUSTEE AND APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A SECURITY AGREEMENT; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT WHEREBY THE CITY OF NORMAN LEASED ITS WATER AND SANITARY SEWER SYSTEMS TO THE NORMAN UTILITIES AUTHORITY; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING 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 is authorized and has determined to construct improvements to the Borrower's wastewater system (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 Clean Water SRF Loan from the Oklahoma Water Resources Board (the "Board") in the amount of \$50,300,000; and

WHEREAS, the Board has approved a loan application of the Borrower and the Borrower has determined to borrow money from the Board to accomplish the Project and to evidence such loan by the issuance of the Borrower's Series 2014 Clean Water SRF Promissory Note to Oklahoma Water Resources Board in the original principal amount of \$50,300,000 (the "2014 Note"), said 2014 Note being secured by a lien on the revenues derived from the water and sanitary sewer systems of the Borrower (collectively the "System"), provided however, that the 2014 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 Authority, the City, and the District (collectively, the “Conservancy District Contract”); and

WHEREAS, said pledge of revenues derived from the System is subject to and subordinate in all respects to the lien on said revenues in favor of (i) the Borrower’s Utility Revenue Bonds, Refunding Series 2003, issued in the original aggregate principal amount of \$7,740,000, (ii) the Borrower’s Utility Revenue Bonds, Refunding Series 2005, issued in the original aggregate principal amount of \$4,780,000, and (iii) the Borrower’s Utility Revenue Bond, Series 2006, issued in the original aggregate principal amount of \$20,700,000 (collectively, the “Prior Senior Lien Debt”); and said pledge of revenues derived from the System is on a parity in all respects with the lien securing (iv) the Borrower’s Series 1995 SRF Promissory Note to Oklahoma Water Resources Board, issued in the original principal amount of \$2,720,000, (v) the Borrower’s Series 2000 Clean Water State Revolving Fund Promissory Note to Oklahoma Water Resources Board, issued in the original principal amount of \$4,850,000, (vi) the Borrower’s Series 2009A Drinking Water SRF Promissory Note to Oklahoma Water Resources Board, issued in the original principal amount of \$14,000,000, and (vii) the Borrower’s Series 2009B Clean Water SRF Promissory Note to Oklahoma Water Resources Board, issued in the original principal amount of \$7,6400,000 (collectively, the “Prior Subordinate Lien Debt”).

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 2014 Note.

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

Section 1. Issuance of Note. The Borrower is hereby authorized to accept said loan and issue its 2014 Note payable to the Board and secured by a pledge of revenue derived from the operation of the System, said pledge of revenue being subject and subordinate in all respects to the pledge of revenue in favor of the Conservancy District Contract and the Prior Senior Lien Debt, and said pledge of revenue being on a parity with the pledge of revenue in favor of the Prior Subordinate Lien Debt, all as referenced above. The officers of the Borrower are hereby authorized and directed to execute said 2014 Note and to do any and all lawful things to effect said loan and secure said loan from the Board, provided that the principal amount of the 2014 Note shall be \$50,300,000, and the rate of interest on the 2014 Note shall be a fixed rate of interest of \_\_\_\_\_ percent (\_\_\_\_%) per annum inclusive of administrative fees of one half of one percent (1/2%).

Section 2. Execution of Loan Agreement for Clean Water SRF Loan. The Loan Agreement for Clean Water SRF Loan 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 of the Borrower 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 3. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BancFirst, Oklahoma City, Oklahoma, to serve as local trustee (the “Local Trustee”) of certain funds in relation to the 2014 Note. The Trust Agreement by and between the

Borrower and the Local Trustee, pertaining to the 2014 Note (the “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 Trust Agreement.

Section 4. 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 2014 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 5. Covenants of Borrower. Until payment in full of the 2014 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 Security Agreement and the Loan Agreement, which covenants are incorporated herein in their entirety.

Section 6. Lease Agreement. The Amended Lease Agreement and Operation Maintenance Contract dated as of November 1, 1984, by and between the City and the Borrower (the “Lease Agreement”), whereby the City leased to the Borrower its presently existing and hereafter acquired water and sanitary sewer systems and whereby the Borrower agreed to operate and maintain the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the 2014 Note is paid.

Section 7. 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) those fees and expenses set forth on Exhibit “A” hereto, together with such other fees and expenses as will be set forth on the Borrower’s Closing Order to be executed in connection with the closing of the financing referenced herein.

Section 8. 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 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 transactions 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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ADOPTED AND APPROVED THIS 22<sup>ND</sup> DAY OF APRIL, 2014.

NORMAN UTILITIES AUTHORITY

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Chairman

ATTEST:

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Secretary

(SEAL)

CERTIFICATE  
OF  
AUTHORITY 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 Norman Utilities Authority held a Regular Meeting at 6:30 o'clock P.M., on April 22, 2014, 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 22<sup>ND</sup> DAY OF APRIL, 2014.

NORMAN UTILITIES AUTHORITY

(SEAL)

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Secretary of Authority

EXHIBIT "A"

Fees and Expenses Paid at Closing

The Public Finance Law Group PLLC	
Legal Fee and Out-of-Pocket Expenses	\$ _____
Floyd Law Firm, P.C.	
Legal Fee and Out-of-Pocket Expenses	\$ _____
Municipal Finance Services, Inc.	
Financial Advisory Fee and Out-of-Pocket Expenses	\$ _____
BancFirst	
Trustee Bank Acceptance Fee	\$750.00