

RESOLUTION NO. SUA-2016-6

A RESOLUTION AUTHORIZING A LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE PRINCIPAL AMOUNT OF \$29,900,000; AUTHORIZING THE ISSUANCE OF A SERIES 2016 DRINKING WATER SRF PROMISSORY NOTE IN SAID PRINCIPAL AMOUNT; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR DRINKING WATER SRF LOAN AND A SECURITY AGREEMENT WITH THE OKLAHOMA WATER RESOURCES BOARD; APPROVING AND AUTHORIZING THE EXECUTION OF A SALES TAX AGREEMENT WITH THE CITY OF STILLWATER; RATIFYING AND CONFIRMING A LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT WITH THE CITY OF STILLWATER; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; APPROVING VARIOUS COVENANTS AND AUTHORIZING EXECUTION OF OTHER DOCUMENTS PERTAINING TO SAID LOAN AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Stillwater Utilities Authority, Payne County, Oklahoma (the "Authority") was created as a public trust pursuant to a Trust Indenture dated as of April 1, 1979, as amended by an Amendment to Trust Indenture dated as of November 1, 1980 and a Second Amendment to Trust Indenture dated as March 24, 2014 for the purpose of furthering the public functions of the City of Stillwater, Oklahoma (the "City"); and

WHEREAS, the Authority is authorized under said Trust Indenture, as amended, to construct improvements to the City's water, sewer and electric utility systems; and

WHEREAS, the City has requested and the Authority has agreed to construct various improvements and upgrades to the City water system (the "Project") and in order to finance a portion of the costs thereof, the Authority heretofore applied to the Oklahoma Water Resources Board ("OWRB") for a drinking water state revolving fund loan in the principal amount of \$29,900,000; and

WHEREAS, OWRB approved the loan application in said amount for such purpose on May 17, 2016; and

WHEREAS, in order to evidence such loan, it is required that the Authority issue its Drinking Water SRF Promissory Note to OWRB in the principal amount of said loan (the "Series 2016 DWSRF Note"), and secure the payment of said Note with a pledge of revenue derived by the Authority from its operation of the City's water, sewer and electric utility 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 the acquisition of land for and the design, construction and installation of additional booster pump stations, water towers, waterlines and water treatment plant upgrades and demolition of decommissioned facilities and in order to evidence such loan to issue its Series 2016 DWSRF Note in the principal amount of \$29,900,000 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, provided, however, that the lien on such revenues securing said obligation shall be subject and subordinate in all respects to the lien thereon securing the Authority's Utility System and Sales Tax Revenue Bonds, Series 2014 issued in the principal amount of \$61,830,000 and all obligations issued on a parity therewith.

Section 2. Execution of Documents. The Authority hereby approves the following financing documents and authorizes the Chair, or in the event of her absence or incapacity, the Vice Chair, in her sole discretion to approve such modifications, additions, deletions or other changes thereto as may be requested or required to obtain the loan described herein, together with any additional documents, instruments or certificates necessary or attendant to the closing on said loan:

(i) Loan Agreement for Drinking Water SRF Loan between the Authority and the OWRB dated as of June 1, 2016 (the "Series 2016 DWSRF Loan Agreement");

(ii) Security Agreement between the Authority and OWRB dated as of June 1, 2016 (the "Series 2016 Security Agreement");

(iii) Sales Tax Agreement between the Authority and the City of Stillwater dated as of June 1, 2016; and

(iv) Trust Agreement between the Authority and BOKF, NA, dba Bank of Oklahoma, as Local Trustee dated as of June 1, 2016 (the "Trust Agreement");

Section 3. Covenants of Borrower. Until the Series 2016 DWSRF Note has been paid in full and all obligations owing to OWRB under the Series 2016 DWSRF 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 Series 2016 DWSRF Loan Agreement and the Series 2016 Security Agreement, including particularly but not limited to, the covenants in Section 2.7(I) of the Series 2016 DWSRF Loan Agreement, which covenants are incorporated herein in their entirety.

Section 4. Ratification of Lease Agreement. The Lease Agreement and Operation and Maintenance Contract dated as of July 1, 1979, as amended by Amendments thereto dated as of December 1, 1980, April 1, 1986, and May 13, 2013 between the City and the Authority (the "Lease Agreement"), whereby the City leases the System to the Authority and whereby the Authority agrees to operate and maintain said System, is hereby ratified and confirmed and the terms of said Lease Agreement is hereby extended until the Series 2016 DWSRF Note is paid in full.

Section 5. Fees and Expenses. Upon closing of the loan transaction described herein, the Chair or Vice Chair 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 2016 DWSRF 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 6. Necessary Action. The Chair, Vice Chair, Secretary or Assistant Secretary of the Authority are hereby authorized to approve disbursement of the proceeds of the Series 2016 DWSRF 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 20TH DAY OF JUNE, 2016.

STILLWATER UTILITIES AUTHORITY

(SEAL)

GINA J. NOBLE, CHAIR

ELIZABETH CHRZ, SECRETARY

APPROVED AS TO FORM AND LEGALITY THIS 20TH DAY OF JUNE, 2016.

JOHN E. DORMAN, GENERAL COUNSEL

CERTIFICATE
OF
AUTHORITY ACTION

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

I further certify that the Trustees of the Stillwater Utilities Authority held a Regular Meeting at 5:30 p.m. on June 20, 2016, following notice duly 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 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:

TRUSTEES PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 20TH DAY OF JUNE, 2016.

STILLWATER UTILITIES AUTHORITY

ELIZABETH CHRZ, SECRETARY