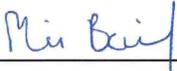


NOTICE OF SPECIAL MEETING

**OF THE
BARTLESVILLE CITY COUNCIL
City Hall, Council Chambers
401 S. Johnstone Ave
Bartlesville, Oklahoma**

**Monday, November 17, 2014
Scheduled to begin at 7 o'clock p.m.**

This Notice was received and posted in prominent public view at City Hall, 401 S. Johnstone Ave., Bartlesville, Oklahoma at 5:00 o'clock p.m., on the 13th day of November, 2014.



Michael Bailey, City Clerk
Administrative Director/CFO


by Elaine Banes, Deputy City Clerk

All discussion items are subject to possible action by the Bartlesville City Council. Agenda items requiring a public hearing as required by law will be so noted. The Bartlesville City Council may at their discretion change the order of the business agenda items. City of Bartlesville encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least one working day prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive this rule if signing is not the necessary accommodation.



**SPECIAL MEETING
OF THE
BARTLESVILLE CITY COUNCIL**

**Council Chambers, City Hall
401 S. Johnstone Ave.
Bartlesville, Oklahoma 74003
Monday, November 17, 2014
7:00 p.m.**



**Mayor Tom Gorman
(918) 338-4282**

AGENDA

- 1. Call to order the business meeting of the Bartlesville City Council by Mayor Gorman.**
- 2. Roll Call and Establishment of a Quorum.**
- 3. The invocation will be provided by Hospice Chaplain Steven Griffith.**
- 4. Citizens to be heard.**
- 5. City Council Proclamations and Announcements**
 - Arbor Day, November 26, 2014
 - Small Business Saturday November 29, 2014
- 6. Authorities, Boards, Commissions and Committee Openings**
 - Two openings on the Ambulance Commission
 - Three openings on the Bartlesville Library Board
 - One opening on the Bartlesville Redevelopment Trust Authority
 - One opening on the Sewer System Improvements Oversight Committee
 - One opening on the Stadium Operating Committee
 - One opening on the Street and Traffic Committee
- 7. Consent Docket**
 - a. Approval of Minutes**
 - i. The Special Meeting Minutes of November 10, 2014.
 - b. Approval of Appointments/Ratifications to Authorities, Boards, Commissions and Committees.**
 - i. Appoint Joe Todd to a three year term to the Bartlesville History Museum Trust Authority at the recommendation of Councilmember Nguyen.
 - c. Approval of Resolutions**
 - i. Authorizing the Submittal of Three *Water for 2060* Grant Applications:
 - (1) to address leak detection in approximately 200 miles of the water distribution system primarily located east of the Caney River and in the downtown area; and
 - (2) to irrigate the golf course with a combination of potable water and surface water; and
 - (3) to design a system for indirect potable water reuse.
 - d. Approval of Agreement**
 - i. Between the City of Bartlesville and DocuForce/Canon for copier leases and service contract.
- 8. Discuss and take action regarding a Real Estate Purchase Agreement with Mark and Francis Archambo. Presented by Terry Lauritsen, Director of Water Utilities and Engineering.**
- 9. Receive Bids for the purchase of \$5,200,000 Combined Purpose General Obligation Bonds, Series 2014B of the City and vote to award said bonds to the lowest bidder complying with the Notice of Sale and Instructions to Bidders or to reject all bids. Presented by Nate Ellis, The Public Finance Law Group PLLC.**

10. Consider and take action with respect to an Ordinance providing for the issuance of Combined Purpose General Obligation Bonds, Series 2014B, in the sum of \$5,200,000 by the City of Bartlesville, Oklahoma, authorized at an election duly called and held for such purpose; prescribing form of bonds; providing for registration thereof; approving the form of a Continuing Disclosure Certificate; establishing the City's reasonable expectation with respect to issuance of tax-exempt obligations for calendar year 2014 and designating bonds as qualified tax-exempt obligations; providing for levy of an annual tax for the payment of principal and interest on the same and fixing other details of the issue; and declaring an emergency. Presented by Nate Ellis, The Public Finance Law Group PLLC.
11. Discuss and take action to approve the submission of a self reporting questionnaire relating to the Municipalities Continuing Disclosure Cooperation Initiative. Presented by Mike Bailey, Administrative Director and CFO.
12. Discuss and take action with respect to the retention of special counsel to advise the City in matters relating to the Municipalities Continuing Disclosure Cooperation Initiative of the United States Securities and Exchange Commission. Presented by Mike Bailey, Administrative Director and CFO.
13. City Manager and Staff Reports.
14. City Council Comments and Inquiries.
15. Adjournment.

This Notice was received and posted in prominent public view at City Hall, 401 S. Johnstone Ave., Bartlesville, Oklahoma at 5:00 o'clock p.m., on the 13th day of November, 2014.



Michael Bailey, City Clerk
Administrative Director/CFO



by Elaine Banes, Deputy City Clerk

All discussion items are subject to possible action by the City Council. Agenda items requiring a public hearing as required by law will be so noted. The City Council may at their discretion change the order of the business agenda items. City of Bartlesville encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least one working day prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive this rule if signing is not the necessary accommodation.



Official Proclamation

Arbor Day November 26, 2014

Whereas, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of tree; and

Whereas, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

Whereas, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen, and provide habitat for wildlife; and

Whereas, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

Whereas, trees, wherever they are planted, are a source of joy and spiritual renewal; and

Whereas, Bartlesville has been recognized as a Tree City USA by the National Arbor Day Foundation and desires to continue its tree-planting practices.

Therefore, The City Council of the City of Bartlesville, do hereby proclaim November 26, 2014 as Arbor Day in the City of Bartlesville and urge all citizens to support efforts to protect trees and woodlands and to support our city's urban forestry program. Further, we urge all citizens to plant trees to gladden the hearts and promote the well being of present and future generations.

IN WITNESS WHEREOF, we hereunto set our hands and caused the Official Seal of the City of Bartlesville, Oklahoma, to be affixed this 17th day of November, in the year of our Lord two thousand and fourteen.

Ted Lockin, Ward 1 and Vice Mayor

Mike McGrew, Ward 2

Tom Gorman, Ward 3 and Mayor

Doann Nguyen, Ward 4

Dale Copeland, Ward 5



Whereas, the municipal government of Bartlesville, Oklahoma celebrates our local small businesses and the contributions they make to our local economy and community; and

Whereas, according to the United States Small Business Administration, there are currently 23 million small businesses in the United States representing more than 99 percent of American employer firms, creating more than two-thirds of the net new jobs, and generating 46 percent of private gross domestic product; and

Whereas, small businesses employ over 55 percent of the working population in the United States; and

Whereas, 89 percent of consumers in the United States agree that small businesses contribute positively to the local community by supplying jobs and generating tax revenue; and

Whereas, 87 percent of consumers in the United States agree that small businesses are critical to the overall economic health of the United States; and

Whereas, 93 percent of consumers in the United States agree that it is important for people to support the small businesses that they value in their community; and

Whereas, the City of Bartlesville supports our local businesses that create jobs, boost our local economy and preserve our neighborhoods; and

Whereas, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW THEREFORE, the Bartlesville City Council does hereby officially proclaim November 29, 2014 as "Small Business Saturday" and urge all residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

IN WITNESS WHEREOF, we hereunto set our hands and cause the Official Seal of the City of Bartlesville, Oklahoma, to be affixed this 3rd day of November, in the year of our Lord two thousand and fourteen.

Ted Lockin, Ward 1 and Vice Mayor

Mike McGrew, Ward 2

Tom Gorman, Ward 3 and Mayor

Doann Nguyen, Ward 4

Dale Copeland, Ward 5

**BARTLESVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
Monday, November 10, 2014**

**City Hall, Council Chambers
401 S. Johnstone Avenue
Bartlesville, Oklahoma 74003**

(Notice of this meeting was posted on Thursday, November 6, 2014 at 5:00 p.m.)

City Council Members Present: Mayor Tom Gorman, Mike McGrew, Dale Copeland and Doann Nguyen.
City Council Members Absent: Vice Mayor Lockin
City Staff Present: Ed Gordon, City Manager, Jerry Maddux, City Attorney, Mike Bailey, Administrative Director/CFO; Lisa Beeman, Director of Community Development; and Elaine Banes, Executive Assistant.

1. The Bartlesville City Council meeting was called to order at 7:00 p.m. by Vice Mayor Gorman.

2. Roll Call and establishment of a quorum.

Roll call was conducted and a quorum was established.

3. The invocation was provided by City Manager Ed Gordon.

4. Citizens to be heard.

Mr. John Becker reported that he would like to see regulations put in place regarding Electronic Signs. His home sits across the street from the Redeemer Lutheran Church who has an electronic sign that shines brightly into their home.

5. Discuss and take action to approve the minutes of the Regular City Council Meeting of November 3, 2014.

Mr. Copeland moved to approve the minutes of November 3, 2014 as presented, seconded by Mr. McGrew.

Voting Aye: Ms. Nguyen, Mr. Copeland, Mr. McGrew, Mayor Gorman
Voting Nay: None
Motion: Passed

6. Review and discussion of revision to local government regulations on landscaping and sign regulations as recommended by the Bartlesville Strategic Plan Retail Subcommittee on Local Business Climate and Regulations. Presented by Lisa R. Beeman, Director of Community Development.

Ms. Beeman reported that the Steering Committee for implementation of the Bartlesville Strategic Plan included a Retail Subcommittee on Local Business Climate and Regulations which was chaired by Councilmember Dale Copeland. This subcommittee was charged with making recommendations on ways to improve the local business climate in Bartlesville. One of those recommendations was to evaluate existing local government regulations which negatively affect the local business climate and improve those where possible to be more "business friendly". Specifically identified in this analysis was the development regulations concerning exterior landscaping and signage. This recommendation was accepted by the Bartlesville City Council on September 23, 2013. City staff has worked with Councilmember Copeland to propose revisions to the exterior landscaping and sign regulations and is prepared to present them for discussion and direction.

Ms. Beeman presented an overview of proposed regulations beginning with landscape regulations. She presented the current regulations with two proposed options. Discussion was held regarding landscaping islands in parking lots.

Ms. Beeman reviewed the current sign regulations which have not changed much over the past 20 years except for height limitations and basing the size of a sign on linear feet. Proposed changes were reviewed including regulating electronic message centers. Discussion was held on LED lighting; no full motion video, and brightness issues particularly in residential neighborhoods. Human signs such as people standing near intersections waving signs to entice travelers to their establishment was discussed. Ms. Beeman emphasized that human signs are regulated as a banner and are not permitted on right-of-ways. She provided the City regulations for this type of signage.

Mayor Gorman addressed the percentages in the proposed sign options stating that he did not wish to see building and pole sign percentages juggled (allowing for larger pole signs if reduced building signs or vice-a-versa). Mr. Copeland agreed that the percentage of adjustment would be reviewed.

Discussion was held as to whether the sign regulations should be in the Municipal Code or in the Zoning Regulations. It was agreed that since staff worked from them regularly that they should decide. Ms. Beeman felt they should remain in the Zoning Regulations.

7. City Manager and Staff Reports.

Mr. Bailey reported that sales tax is up 4.37% from October of last year, marking an increase 3.7% for the first five months of fiscal year 2014-2015.

Mr. Gordon reported on Veteran's Day; City Leaf Pickup the week of Nov. 17-21 and December 15-19; and the ODEQ sponsored event Nov. 14-15 to assist residents in discarding household mercury.

Mr. Gordon expressed his appreciation of Mr. Copeland, the Retail Subcommittee members and staff for their work on the landscape and sign regulations.

8. City Council Comments and Inquiries.

Mr. McGrew stated his appreciation to the Council for the opportunity to work with them over the past 5 ½ years. He added that he has applied to serve on the Sewer System Improvement Oversight Committee and the Tax Incentive Financing Committee, and his plans to continue to serve the City and its citizens.

Mayor Gorman thanked Mr. McGrew for his time as a councilman, and also stated his appreciation to Mr. Copeland and the Retail Subcommittee members, and the MAPC members who devoted a great deal of time and research into the landscaping and sign regulations.

9. Adjournment.

There being no further business to conduct, Mayor Gorman adjourned the meeting at 8:38 p.m.

Mayor Tom Gorman

Michael Bailey, Administrative Director/CFO



Memo

To: Ed Gordon, City Manager
From: Nancy E. Warring, CFM, Grants Administrator *N. Warring*
Date: November 12, 2014
Subject: Approval of Resolutions Authorizing the Submittal of Three Water for 2060 Grant Applications

The State of Oklahoma has announced \$1.5 million available in drought grants for cities, counties, water districts, and other public entities to help fund projects that highlight the responsible use of water.

Projects to be considered for a grant must demonstrate water efficiency and support drought resiliency within the community. Water efficiency is defined as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses responsible water use and water reuse efforts, as well as water loss reduction and prevention to protect water resources for the future.

Grants are capped at \$500,000, and the deadline for application submission is November 26, 2014.

Water Utilities Director Terry Lauritsen has identified three projects to submit for funding: 1) leak detection, 2) golf course irrigation, and 3) indirect potable water reuse. The applications are being finalized. Lauritsen has provided the attached summaries to explain the projects.

The grant program requires that the applications be accompanied by approved resolutions. Three resolutions are attached for City Council consideration. Please place these items on the November 17, 2014 agenda.

Attachments

cc: Terry Lauritsen, Water Utilities Director



Water Utilities Department

LEAK DETECTION

In 2012 and 2014 the City conducted a survey of portions of the water distribution system checking for leaks. This survey is done by utilizing specialized acoustic equipment to pinpoint small leaks that do not display any surface defect, which typically indicates a leak. The leaks detected are typically small volume leaks in pipe joints, valves or service line connections. With these last surveys, the City has investigated approximately 70 miles of the distribution system and discovered 64 small volume leaks that were repaired. Staff proposes to pursue an OWRB grant for a leak detection survey on the balance of the City's distribution system, which encompasses approximately 200 miles primarily located east of the Caney River and in the downtown area. Based on past experience, these services are anticipated to detect approximately 20,000 gallons per day (7.3 million gallons per year) of leaks that will save the City roughly \$20,000 per year in water treatment costs. The estimated cost of these leak detection services is \$50,000.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR A WATER FOR 2060 DROUGHT GRANT FROM THE OKLAHOMA WATER RESOURCES BOARD.

WHEREAS, drought conditions continue to threaten municipal water supplies in Bartlesville and throughout the State of Oklahoma.

WHEREAS, the City of Bartlesville desires to conserve and manage water more efficiently by implementing a project **to detect leaks in approximately 200 miles of the water distribution system primarily located east of the Caney River and in the downtown area.**

WHEREAS, the City of Bartlesville does not have the financial resources to implement the project.

WHEREAS, it is in the best interest of the citizens of the City of Bartlesville to prepare and submit an application for financial assistance from the Oklahoma Water Resources Board, in the form of a *Water for 2060 Drought Grant*.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA:

That drought conditions often threaten water supplies in the City of Bartlesville and now is the time to implement projects that will conserve and manage water more efficiently, and by reason thereof, the Mayor is hereby authorized and directed to sign an application and related documents necessary to file and process an application with the Oklahoma Water Resources Board for the *Water for 2060 Drought Grant*.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF BARTLESVILLE, OKLAHOMA, THIS 17TH DAY OF NOVEMBER, 2014.

Mayor Tom Gorman



Memo

To: Ed Gordon, City Manager
From: Nancy E. Warring, CFM, Grants Administrator *N. Warring*
Date: November 12, 2014
Subject: Approval of Resolutions Authorizing the Submittal of Three Water for 2060 Grant Applications

The State of Oklahoma has announced \$1.5 million available in drought grants for cities, counties, water districts, and other public entities to help fund projects that highlight the responsible use of water.

Projects to be considered for a grant must demonstrate water efficiency and support drought resiliency within the community. Water efficiency is defined as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses responsible water use and water reuse efforts, as well as water loss reduction and prevention to protect water resources for the future.

Grants are capped at \$500,000, and the deadline for application submission is November 26, 2014.

Water Utilities Director Terry Lauritsen has identified three projects to submit for funding: 1) leak detection, 2) **golf course irrigation**, and 3) indirect potable water reuse. The applications are being finalized. Lauritsen has provided the attached summaries to explain the projects.

The grant program requires that the applications be accompanied by approved resolutions. Three resolutions are attached for City Council consideration. Please place these items on the November 17, 2014 agenda.

Attachments

cc: Terry Lauritsen, Water Utilities Director

ADAMS GOLF COURSE IRRIGATION

One of the projects staff has been investigating is modifying the Adams Golf Course irrigation system to utilize a combination of surface water and potable water. Over the last several years, water use at the golf course has ranged from 37 million gallons to 17 million gallons per year, depending on the season. Currently, the golf course utilizes only potable water to irrigate.

In 2009, the City modified Sooner Pool to include a splash pad. Due to the reliability, and treatment concerns with a recycling system for the splash pad, all the water utilized for the water features is pumped and discharged into the golf course on hole #10. On average, the splash pad utilizes approximately 6.5 million gallons per season.

To facilitate this project and to capture additional surface water for the irrigation system, the pond on #10 would be enlarged and deepened to hold approximately 8 million gallons. A possible configuration of this pond is shown below.



This pond is located on Turkey Creek and the potential yield of this system is estimated at 10 to 12 million gallons per year. While potable water would still be needed to



Water Utilities Department

supplement the irrigation system, these modifications would remove a significant water demand from the City's water system. The estimated cost to enlarge the pond, replace the irrigation pump, and modify the controls along with all the associated improvements is \$1,500,000.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR A WATER FOR 2060 DROUGHT GRANT FROM THE OKLAHOMA WATER RESOURCES BOARD.

WHEREAS, drought conditions continue to threaten municipal water supplies in Bartlesville and throughout the State of Oklahoma.

WHEREAS, the City of Bartlesville desires to conserve and manage water more efficiently by implementing a project to **irrigate the golf course with a combination of potable water and surface water**.

WHEREAS, the City of Bartlesville does not have the financial resources to implement the project.

WHEREAS, it is in the best interest of the citizens of the City of Bartlesville to prepare and submit an application for financial assistance from the Oklahoma Water Resources Board, in the form of a *Water for 2060 Drought Grant*.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA:

That drought conditions often threaten water supplies in the City of Bartlesville and now is the time to implement projects that will conserve and manage water more efficiently, and by reason thereof, the Mayor is hereby authorized and directed to sign an application and related documents necessary to file and process an application with the Oklahoma Water Resources Board for the *Water for 2060 Drought Grant*.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF BARTLESVILLE, OKLAHOMA, THIS 17TH DAY OF NOVEMBER, 2014.

Mayor Tom Gorman



Memo

To: Ed Gordon, City Manager
From: Nancy E. Warring, CFM, Grants Administrator *N. Warring*
Date: November 12, 2014
Subject: Approval of Resolutions Authorizing the Submittal of Three Water for 2060 Grant Applications

The State of Oklahoma has announced \$1.5 million available in drought grants for cities, counties, water districts, and other public entities to help fund projects that highlight the responsible use of water.

Projects to be considered for a grant must demonstrate water efficiency and support drought resiliency within the community. Water efficiency is defined as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses responsible water use and water reuse efforts, as well as water loss reduction and prevention to protect water resources for the future.

Grants are capped at \$500,000, and the deadline for application submission is November 26, 2014.

Water Utilities Director Terry Lauritsen has identified three projects to submit for funding: 1) leak detection, 2) golf course irrigation, and 3) indirect potable water reuse. The applications are being finalized. Lauritsen has provided the attached summaries to explain the projects.

The grant program requires that the applications be accompanied by approved resolutions. Three resolutions are attached for City Council consideration. Please place these items on the November 17, 2014 agenda.

Attachments

cc: Terry Lauritsen, Water Utilities Director

INDIRECT POTABLE WATER REUSE

One of the projects staff has been investigating for long term raw water supply is indirect potable water reuse, which consists of blending treated wastewater with surface water, and then recapturing this water, treating and reusing for potable applications. The City has a unique configuration in that the Caney River raw water intake and wastewater treatment plant are separated by 3,000 feet (the intake structure is upstream of the wastewater treatment plant). The exhibit below shows this configuration.



With the City in need of additional sources to secure our long range water needs, pursuing indirect potable reuse is a very tangible option to meet a significant portion of the water demand. The wastewater plant discharges on average just under 7 million gallons a day of treated water. During the summer months, the City averages approximately 8 million gallons a day of water consumption and the winter demand averages around 5.5 million gallons a day. The City currently has 6,000 acre-feet of water rights on the Caney River, which works out to an average withdrawal rate of just under 6 million gallons per day. The City has been consistently utilizing raw water from the Caney River for the last 18 months and has upgraded the intake structure to include a pretreatment system. From a flow perspective, the low flows on the Caney River prior



Water Utilities Department

to the wastewater plant discharge average approximately 10 million gallons per day (the low flow is the critical flow for the river, since it typically occurs during summer months when evaporation, transpiration, etc. are the highest and the releases from Hulah and Copan Lake are at minimum levels). Thus, the average discharge from the wastewater treatment plant would be less than 40% of the low flows within the Caney River. With the quality of the treated wastewater, which is better than the typical water within the river, it is anticipated that the raw water quality will improve at the intake structure.

One of the main obstacles, at this point, is there are no Oklahoma Department of Environmental Quality (ODEQ) regulations permitting indirect potable reuse. The ODEQ is required to develop regulations, which was done by legislation in 2014, and these regulations should be in place by Spring 2015. The OWRB grant is requested for the engineering design of the conveyance system for a secondary discharge point upstream of the raw water intake structure in Johnstone Park to facilitate the indirect potable reuse. The requested amount for this engineering design is \$350,000. The potential benefits with the reuse scenario could net between 1-2 billion gallons of raw water per year that would not have to be drawn from the City's current water supply sources at Hulah and Hudson, which will prolong the life of these facilities between 15 to 25 years.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR A WATER FOR 2060 DROUGHT GRANT FROM THE OKLAHOMA WATER RESOURCES BOARD.

WHEREAS, drought conditions continue to threaten municipal water supplies in Bartlesville and throughout the State of Oklahoma.

WHEREAS, the City of Bartlesville desires to conserve and manage water more efficiently by implementing a project to **design a system for indirect potable water reuse**.

WHEREAS, the City of Bartlesville does not have the financial resources to implement the project.

WHEREAS, it is in the best interest of the citizens of the City of Bartlesville to prepare and submit an application for financial assistance from the Oklahoma Water Resources Board, in the form of a *Water for 2060 Drought Grant*.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA:

That drought conditions often threaten water supplies in the City of Bartlesville and now is the time to implement projects that will conserve and manage water more efficiently, and by reason thereof, the Mayor is hereby authorized and directed to sign an application and related documents necessary to file and process an application with the Oklahoma Water Resources Board for the *Water for 2060 Drought Grant*.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF BARTLESVILLE, OKLAHOMA, THIS 17TH DAY OF NOVEMBER, 2014.

Mayor Tom Gorman



ACCOUNTING AND FINANCE

November 12, 2014

MEMORANDUM

TO: Ed Gordon
City Manager

FROM: Mike Bailey
Administrative Director/CFO

SUBJECT: Agreement for copier leases and service contract.

GENERAL INFORMATION

The City of Bartlesville has used Ricoh (previously IKON) for a number of years to meet our copier needs. All of our copiers, with the exception of one at the Water Plant are obtained via long-term lease agreement. These lease agreements cover the machine, toner, and any required service.

The City was recently approached by a representative of DocuForce, Scott Sullivan. Scott asked if the City would allow him to provide a quote for all of our copier solutions.

DocuForce is a company headquartered in Wichita, KS with offices in Bartlesville, OK. Under the proposed solution, Scott, from the Bartlesville office, would act as our account representative (our current rep lives and works in Tulsa). Additionally, the company has committed to hiring a service tech that will work solely in Bartlesville if we sign the agreement. Ricoh's service techs are all from out of town, and there is usually a substantial wait for service calls due to their travel time. From the perspective of exercising local preference when all else is equal, DocuForce is clearly a better choice.

Outside of local preference, the two major considerations of any service agreement are price and service. Our current agreement with Ricoh has been satisfactory in service, but recently we have experienced service from our account rep that does not meet our expectations. Their maintenance and repair service is also satisfactory, but the delays due to out of town servicemen can create challenges in emergencies. While we do not have a significant history with DocuForce, I am familiar with our account rep. He is officed locally as will be the technician assigned to our account. Additionally, the Canon machines are rated similar to Ricoh machines in performance and reliability. Due to these factor, I would give DocuForce the edge in this category as well.

Page 2

The most important item and easiest to measure of any service agreement is annual cost. Currently, we are paying about \$75,000 per year to Ricoh for our annual lease payments and copy overage charges. The solution proposed by DocuForce will cost about \$56,000 per year for our annual lease payments. DocuForce has increased our base black and white copies from 50,000 to 60,000, so I don't anticipate any significant black and white copy overages. However, DocuForce did not include any color copies in the base, and opted instead to go with a \$0.065/copy charge. Even if we used 50% of our black and white base as color, that would only tally \$2,000 in color charges. We will still save over \$15,000 per year. Additionally, DocuForce has added a machine to their agreement for the Water Plant that is not currently included by Ricoh. This is an old Xerox that was purchased outright. Even with this expansion of service, DocuForce will save us over \$15,000/yr. Clearly DocuForce is a better choice in the price category.

One other item for consideration is the disposition of the Ricoh agreements. Most of our contracts with Ricoh have expired and are in a month to month status, so these can be cancelled on short notice. However, there are several agreements that are still in force with no formal cancellation clause. These agreements have total remaining payments of approximately \$83,000. DocuForce will provide us with a check upon acceptance of their agreement for this amount to cover all future payments. At that point, I will attempt to negotiate a buyout with Ricoh. However, if I am unable to come to terms with Ricoh, we will set this money aside to make all of these payments.

With all of these factors considered, Staff is recommending that we accept the agreement with DocuForce as presented.

Please schedule this item for the consent docket at the November 17, 2014 Council meeting.

COUNCIL ACTION REQUESTED

Approve the attached agreements with DocuForce/Canon for the City's copier needs.



Proposed Solution

Prepared For: Mike Bailey
Prepared By: Scott Sullivan

Date: 11/13/14

DocuForce
3400 Tuxedo Blvd., Suite E
Bartlesville, OK 74006

918-213-4250
www.docuforce.biz



Executive Summary

City of Bartlesville.

Nov. 13, 2014

Dear Mr. Bailey,

Thank you for the privilege of working with your organization to improve document processes.

Documents are the key vehicles by which information flows in, around and out of your organization. We have found when we can help our clients improve the workflow of their key documents, we can often help them increase revenues, lower overhead expenses, improve competitive advantage and sometimes limit their liability.

We look forward to working with you. Thank you again for the opportunity to serve you.

Sincerely,

Scott Sullivan
Executive Vice President

Executive Summary

About DocuForce

Our Technology and Solutions Partners

Current Situation

Solution Overview

Return on Investment

Implementation Plan

APPENDICES

A: Brochures

About Us...

Quality and Value

DocuForce is a technology group dedicated to improving our clients' profits, efficiency and image. We do this through systems that improve the flow of paper and digital information through critical business processes. We are committed to providing a quality product, economical supplies and excellent service and account management to all of our customers.

Our products and services include software solutions like Electronic Filing Systems, Managed Print Services, Document Security and Forms Automation. We also install and service document hardware like Multifunctional Copiers, Laser Printers, and Multifunctional Facsimiles.

Client Satisfaction

At DocuForce, we see ourselves as our clients' trusted partners in the area of document creation, production and management. "Going beyond the client's expectations" is our motto. As a result, we are privileged to serve some of the most respected companies.



Superior Support

DocuForce has a heritage of outstanding service. Our support team has over 40 years of combined experience. They ensure that your office systems are up and running so you can be productive.



Technology Innovation



Most people would agree that it is vital that technology be easy to use. DocuForce has a track record of responsibly implementing technology to improve our clients' business. We have a Certified Digital Imaging Architect on staff. In addition, we have partnered with a Technology company who can create, maintain and supply your technology needs. That is why some of most respected companies trust us to help them improve their business processes.

The DocuForce Team...

At DocuForce, we believe that excellent customer service is critical to our success. Knowledge and support are critical components in any application of technology. **Our team brings years of training and experience to your company.**

Mike Ward, President

meward@docuforce.biz

Scott Sullivan, Executive Vice President

ssullivan@docuforce.biz

Steve Pauscher, Service Manager

spauscher@docuforce.biz

William McCoy, Network Specialist

wmccoy@docuforce.biz

Please visit our website: www.docuforce.biz or find us at:



Some of our Technology and Solutions Partners include...



Document Solutions

Up to 50% of the cost of documents is related to managing them throughout their lifecycle. We provide a suite of software solutions to help you effectively distribute, manage and organize your documents. This allows our clients to take advantage of cost saving business initiatives such as:

- **Electronic Scanning and Filing Systems** that allow you to eliminate filing cabinets.
- **Optical Character Recognition** technology to scan information and automatically put it into a database or into an editable Microsoft Word document.
- **Electronic Forms** that make costly preprinted forms obsolete.
- **Print Accounting Systems** that manage print output to lower cost and improve productivity.

Current Situation...

- The city of Bartlesville has multiple Ricoh multifunctional devices throughout their departments and buildings. Very few machines are the same. There are also Ricoh, Xerox, Dell, HP and Kyocera printers that are not currently monitored.
- After visiting locations and reviewing the equipment needs, we noticed that the machines are not configured to the needs of the end users.
- Toner is ordered for printers without having a real way to track usage and expense of the machines or the images being produced.
- There are multiple contracts making it more difficult to keep track of.
- Response from Ricoh is time consuming and inefficient in regards to billing or contract information.
- Service is billed separately for each lease or service contract. Not all together, but listed to departments or equipment location.
- The City of Bartlesville is spending money with a company located in Tulsa, OK.

Solution Overview

- Replace all of the Ricoh multifunctional devices with Canon, keeping majority of the models the same to make it easier for the end users.
- Make certain all of the equipment is configure to meet that department or facilities needs without added cost.
- Install software FOR FREE that will monitor all usage for networked devices including laser jet printers.
- One contract for all of the devices, making it easier to keep track of.
- DocuForce has a heritage of superior customer service. Rather it be an equipment related issue or contract, DocuForce will respond quickly to insure you are completely happy.
- DocuForce will provide one contract and service agreement to review. Equipment will be listed for departments or locations as desired by the City of Bartlesville.
- The City of Bartlesville will now be spending money with an office right here in Bartlesville with a member and volunteer of the community.

SAVINGS

\$9,320.04 a year

Return on Investment...

Once DocuForce implements a total managed print service agreement for the City of Bartlesville, the ROI will be substantial. Just replacing the multifunctional devices with DocuForce will be significant.

MONTHLY INVESTMENT INCLUDES:

- 63 mo. FMV lease
- Base of 60,000 b/w images with overages at \$0.0075/image
- Color images will be a cost per copy at \$0.0650/image.
 - Includes onsite maintenance
 - Includes all parts and supplies.

(Excludes paper and staples)

Implementation Plan...

DocuForce has a track record of responsibly implementing technology to improve our clients' business. Our IT department is staffed by trained professionals. That is why some of most respected companies trust us to help them improve their document business processes.

The implementation plan for this project could look as follows:

- All paperwork signed
- Equipment ordered
- Deliver Equipment to locations as specified by the City of Bartlesville
- Deliver a check in the amount of but not to exceed \$84,000 for stream of payments on existing leases.
- Install software on service to capture machine information including meters for all networked devices.
- Provide additional service for all laser jet printers on the network.
- Save the City of Bartlesville even more money

Implementation Plan Approval: _____

Date: _____



CANON FINANCIAL SERVICES, INC. ("CFS")
 Remittance Address: 14904 Collections Center Dr.
 Chicago, Illinois 60693 (800) 220-0200

LEASE AGREEMENT
 CFS-1014 (03/13)

AGREEMENT NUMBER

| | | |
|--|----------------------|---------------------------------------|
| COMPANY LEGAL NAME City of Bartlesville | DBA | PHONE 918-338-4200 ("Customer") |
| BILLING ADDRESS 401 S. Johnstone Ave. | CITY Bartlesville | STATE ZIP OK 74003 |
| EQUIPMENT ADDRESS 401 S. Johnstone Ave. | CITY Bartlesville | STATE ZIP OK 74003 |

| EQUIPMENT INFORMATION | | | NUMBER AND AMOUNT OF PAYMENTS | |
|---|---------------|------------------------|---|-----------------|
| Quantity | Serial Number | Make/Model/Description | Number of Payments | Total Payment * |
| | | see Equipment Schedule | 63 | \$4,228.98 |
| FIRST PAYMENT AMOUNT FIRST & LAST PAYMENT(S) + SECURITY DEPOSIT = TOTAL DUE AT SIGNING \$ 0.00 + \$ 0.00 = \$ 0.00 <input type="checkbox"/> Nonrefundable Check must accompany Agreement | | | Term in months: _____ * Plus Applicable Taxes Payment Frequency: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other: _____ END OF TERM PURCHASE OPTION <input checked="" type="checkbox"/> FAIR MARKET VALUE <input type="checkbox"/> 10% \$ _____ (estimated) <input type="checkbox"/> \$1.00 <input type="checkbox"/> Other _____ | |

THIS AGREEMENT IS EFFECTIVE ONLY UPON SIGNING BY BOTH PARTIES. THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER. CUSTOMER REPRESENTS THAT ALL ACTION REQUIRED TO AUTHORIZE THE EXECUTION OF THIS SCHEDULE ON BEHALF OF THE CUSTOMER BY THE FOLLOWING SIGNATORIES HAS BEEN TAKEN.

| | |
|---|--|
| ACCEPTED | AUTHORIZED CUSTOMER SIGNATURE |
| CANON FINANCIAL SERVICES, INC. By: _____ Title: _____ Date: _____ | By: X _____ Title: _____ Printed Name: _____ Tax ID#: _____ If proprietor, DOB: _____ By: X _____ Title: _____ Printed Name: _____ |

ACCEPTANCE CERTIFICATE

To: Canon Financial Services, Inc. ("CFS")
 The Customer certifies that (a) the Equipment referred to in the above Agreement has been received, (b) installation has been completed, (c) the Equipment has been examined by Customer and is in good operating order and condition and is, in all respects, satisfactory to the Customer, and (d) the Equipment is irrevocably accepted by the Customer for all purposes under the Agreement. Accordingly, Customer hereby authorizes billing under this Agreement.

Signature: _____ Printed Name: _____
 Title (if any): _____ Date: _____

TERMS AND CONDITIONS

- AGREEMENT:** CFS leases to Customer, a Municiple organized under the laws of the State of Oklahoma, with its chief executive office at 401 S. Johnstone Ave. Bartlesville, OK 74003 and Customer leases from CFS, with its place of business at 158 Gaither Drive, Suite 200, Mount Laurel, New Jersey 08054, all the equipment described above, together with all replacement parts and substitutions for and additions to all such equipment (the "Equipment"), upon the terms and conditions set forth in this Lease Agreement ("Agreement"). The amount of each Payment specified in Number and Amount of Payments section above and the 10% or Other Purchase Option price specified above are based on the supplier's best estimate of the cost of the Equipment. Such Payments and Purchase Option prices will be adjusted upward or downward if the actual total cost of the Equipment, including any sales or use tax, is more or less than the estimate and, in that event, Customer authorizes CFS to adjust such Payments and Purchase Option price by up to fifteen percent (15%).
- AGREEMENT PAYMENTS:** Customer agrees to pay to CFS, as invoiced, during the term of this Agreement, (a) the payments specified under "Number and Amount of Payments," and (b) such other amounts permitted hereunder as invoiced by CFS ("Payments").
- APPLICATION OF PAYMENTS:** All payments received by CFS from Customer under this Agreement will be applied to amounts due and payable hereunder chronologically, based on the date of CFS's charge as shown on the invoice for each such amount, and among amounts having the same date in such order as CFS, in its discretion, may determine.
- TERM OF AGREEMENT:** The term of this Agreement shall commence on the date the Equipment is delivered to Customer, provided Customer executes CFS's Acceptance Certificate or otherwise accepts the Equipment as specified herein. After acceptance of the Equipment, Customer shall have no right to cancel this Agreement during the term hereof. The term of this Agreement shall end, unless sooner terminated by CFS, when all amounts required to be paid by Customer under this Agreement have been paid as provided and either (a) Customer has purchased the Equipment in accordance with the terms hereof or (b) the Equipment has been returned at the end of the scheduled term or renewal term in accordance with the terms hereof. Customer has no right to return the Equipment to CFS prior to the end of the scheduled term of this Agreement for any reason whatsoever, including, without limitation, payment of all amounts due under the Agreement prior to the end of the scheduled term.
- ADVANCE PAYMENTS; SECURITY DEPOSIT:** CFS may apply, but shall not be obligated to apply, any "Advance Payment(s)" or "Security Deposit" specified above to cure any default of Customer, in which event Customer shall promptly restore to CFS any amount so applied. In no event shall any advance payment or security deposit earn interest except where required by applicable law. No portion of any security deposit will be refunded to Customer until all of Customer's obligations have been fully performed as expressly provided in this Agreement. If the "Nonrefundable" box is checked, no portion of the security deposit will be refunded to Customer for any reason whatsoever.
- NO CFS WARRANTIES:** CUSTOMER ACKNOWLEDGES THAT CFS IS NOT A MANUFACTURER, DEALER, OR SUPPLIER OF THE EQUIPMENT. CUSTOMER AGREES THAT THE EQUIPMENT IS LEASED "AS IS" AND IS OF A SIZE, DESIGN, AND CAPACITY SELECTED BY CUSTOMER. CFS HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF THE EQUIPMENT, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any warranty with respect to the Equipment made by the supplier, dealer, or manufacturer is separate from, and is not a part of, this Agreement and shall be for the benefit of CFS, Customer and CFS' purchaser or assignee, if
SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS.

PERSONAL GUARANTY

The undersigned, (whether one or more are specified, the "Guarantor(s)"), in consideration of CANON FINANCIAL SERVICES INC. ("CFS") entering into an Agreement (together with any schedules or supplements thereto, the "Agreement") with Customer identified above ("Customer") irrevocably and unconditionally, jointly and severally, guarantee to CFS, and its successors and assigns, the payment when due of all amounts owed under the Agreement (whether at maturity or upon the occurrence of an event of default or otherwise) and the performance by Customer of all promises, obligations and terms of the Agreement and any other financial transaction between Customer and CFS (collectively, the "Liabilities"). If Customer shall fail to pay or perform all or any part of the Liabilities when due, the Guarantors agree, upon demand, to pay any amounts which may be due from Customer and to take any action required of Customer under the Agreement. The Guarantors agree that this is an absolute and continuing guaranty and that their liability under this Guaranty is primary and will not be affected by any settlement, extension, renewal or modification of the Agreement or any discharge or release of Customer's obligations whether or not by operation of law.

If any payment applied by CFS to the Liabilities is thereafter set aside, recovered or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Customer or any other person), the Liabilities to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Liabilities as fully as if such application had never been made. This Guaranty may be terminated only upon 60 days prior written notice to CFS, and such termination shall be effective only as to Liabilities arising under Schedules, supplements, or agreements entered into after the effective date of termination and shall not affect CFS's rights under this Guaranty arising out of the Agreement or other agreements entered into prior to such date.

The Guarantors waive all damages, demands, presentments and notices of every kind and nature, any rights of set-off, and any defenses available to a guarantor (other than the defense of payment and performance in full) under applicable law. The Guarantors further waive any (i) notice of the incurring of indebtedness by Customer and the acceptance of this Guaranty, (ii) right to require suit against Customer or any other party before enforcing this Guaranty and (iii) right of subrogation to CFS's rights against Customer until Customer's indebtedness is paid in full and Customer's other obligations have been fully performed. The Guarantors consent and agree that any (i) renewals and extensions of time of payment, (ii) release, substitution or compromise of or realization upon the Equipment, other guaranties or any collateral security and (iii) exercise of any other right under this or any other agreement between CFS and Customer or any third party, may be made, granted and effected by CFS without notice to the Guarantors and without in any manner affecting the Guarantors' liability under this Guaranty.

The Guarantors agree to pay all expenses (including attorney's fees and legal expenses) paid or incurred by CFS in endeavoring to collect the Liabilities, or any part thereof and in enforcing the Guaranty. THIS GUARANTY SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN THE GUARANTORS AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE THE GUARANTORS OR THE EQUIPMENT IS LOCATED. THE GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVE OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. THE GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

The Guarantors agree that CFS may accept a facsimile or other electronic transmission copy of this Guaranty as an original, and that facsimile or electronically transmitted copies of the Guarantor's signatures will be treated as an original for all purposes.

Printed Name: _____ Signature: _____ (No Title) Date: _____
 Address: _____ Phone: _____
 Printed Name: _____ Signature: _____ (No Title) Date: _____
 Address: _____ Phone: _____

any. So long as Customer is not in breach or default of this Agreement, CFS assigns to Customer, solely for the purpose of making and prosecuting any such claim, the rights, if any, which CFS may have against the supplier, dealer or manufacturer for breach of warranty or other representation respecting any item of Equipment. CUSTOMER ACKNOWLEDGES AND AGREES THAT NEITHER THE SUPPLIER NOR ANY DEALER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS AGREEMENT, OR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT ON BEHALF OF CFS.

7. ACCEPTANCE; DELIVERY: Customer's execution of the Acceptance Certificate, or Customer's provision to CFS of other confirmation of its acceptance of the Equipment, shall conclusively establish that the Equipment has been delivered to and accepted by Customer for all purposes of this Agreement and Customer may not, for any reason, revoke that acceptance; however, if Customer has not, within ten (10) days after delivery of the Equipment, delivered to CFS written notice of non-acceptance of any of the Equipment, specifying the reasons therefore and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted the Equipment. CFS is the lessor and Customer is the lessee of the Equipment under this Agreement. As between CFS and Customer only, this Agreement shall supersede any Customer purchase order in its entirety. Customer agrees to waive any right of specific performance of this Agreement and to hold CFS harmless from damages if for any reason the Equipment is not delivered as ordered, if the Equipment is unsatisfactory or if CFS does not execute this Agreement. Customer agrees that any delay in delivery of the Equipment shall not affect the validity of this Agreement.

8. LOCATION; LIENS; NAMES; OFFICES: Customer shall not move the Equipment from the location specified herein except with the prior written consent of CFS. Customer agrees that it will keep the Equipment free and clear of all claims and liens other than those created as a result of this Agreement. Customer's legal name (as set forth in its constituent documents filed with the appropriate government office or agency) is set forth herein. Upon request, Customer will deliver to CFS a good standing certificate and/or state certified constituent documents. The jurisdiction of organization of Customer is as set forth herein. The chief executive office of Customer is located at the address set forth herein. Customer will not change its name, the location of its chief executive office or its corporate structure (including, without limitation, its jurisdiction of organization) unless CFS has been given at least 30 days prior written notice thereof and Customer has executed and delivered to CFS such financing statements and other instruments required or appropriate.

9. USE; FINANCING STATEMENTS: Customer shall comply with all laws or regulations relating to the use or maintenance of the Equipment. Customer shall put the Equipment only to the use contemplated by the manufacturer of such Equipment. Customer authorizes CFS (and any third party filing service designated by CFS) to execute and file, (a) financing statements evidencing the interest of CFS in the Equipment, (b) continuation statements in respect thereof, and (c) amendments (including forms containing a broader description of the Equipment than the description set forth herein) and Customer irrevocably waives any right to notice thereof.

10. INDEMNITY: Customer agrees to reimburse CFS for and to defend CFS against any claim for losses or injury caused by the Equipment. This Section shall survive termination of this Agreement.

11. MAINTENANCE; ALTERATIONS: Customer will keep and maintain the Equipment in good working order and shall, at Customer's expense, supply and install all replacement parts and accessories when required to maintain the Equipment in good working condition. Customer shall not, without the prior written consent of CFS, make any changes or substitutions to the Equipment. Any and all replacement parts, accessories, authorized changes and/or substitutions for the Equipment shall become part of the Equipment and subject to the terms of this Agreement.

12. TAXES; OTHER FEES AND CHARGES: CUSTOMER SHALL PAY AND DISCHARGE WHEN DUE ALL LICENSE AND REGISTRATION FEES, ASSESSMENTS, SALES, USE, PROPERTY AND OTHER TAXES, AND OTHER EXPENSES AND CHARGES, together with any applicable penalties, interest, and administrative fees now or at any time imposed upon any item of the Equipment, the Payments payable under this Agreement, or Customer's performance or non-performance of its obligations hereunder, whether payable by or assessed to CFS or Customer. If Customer fails to pay any fees, assessments, taxes, expenses or charges as required by the Agreement, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, expenses or charges. If such payments are made by CFS, Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administration fees and costs, if any. Customer acknowledges that where required by law, CFS will file any notices and pay personal property taxes levied on the Equipment. Customer shall reimburse CFS for the expense of personal property taxes as invoiced by CFS and pay CFS a processing fee not to exceed \$50 per year per item of Equipment which is subject to such tax. Customer agrees that CFS has not, and will not, render tax advice to Customer and that the payment of such taxes is an administrative act. ON THE DATE OF THE FIRST SCHEDULED PAYMENT AND THE DATE OF THE FIRST SCHEDULED PAYMENT AFTER THE ADDITION OF ANY EQUIPMENT, CUSTOMER SHALL PAY TO CFS AN ADMINISTRATIVE FEE, IN THE AMOUNT OF \$65, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS.

13. INSURANCE: Customer, at its sole cost and expense, shall obtain, maintain and pay for (a) insurance against the loss, theft, or damage to the Equipment for the full replacement value thereof, and (b) comprehensive public liability and property damage insurance. All such insurance shall provide for a deductible not exceeding \$5,000 and be in form and amount, and with companies satisfactory to CFS. Each insurer providing such insurance shall name CFS as additional insured and loss payee and provide CFS thirty (30) days written notice before the policy in question shall be materially altered or canceled. Customer shall pay the premiums for such insurance, shall be responsible for all deductible portions thereof, and shall deliver certificates or other evidence of insurance to CFS. The proceeds of such insurance, at the option of CFS, shall be applied to (a) replace or repair the Equipment, or (b) pay CFS the "Remaining Lease Balance." For purposes of this Agreement, the "Remaining Lease Balance" shall be the sum of: (i) all amounts then owed by Customer to CFS under this Agreement; (ii) the present value of all remaining Payments for the full term of this Agreement; (iii) the "Asset Value," and the "Asset Value" shall be: (A) for an Agreement with a \$1.00 purchase option, \$1.00; (B) for an Agreement with no purchase option or a Fair Market Value purchase option, the Fair Market Value of the Equipment shall be as defined in the terms hereof; and (C) for an Agreement with an Other or 10% Purchase Option, the amount indicated as the respective dollar amount of such Purchase Option on the face of this Agreement; plus (iv) any applicable taxes, expenses, charges and fees. For purposes of determining present value under this Agreement, Payments shall be discounted at 6% per year. Customer hereby appoints CFS as Customer's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks, or drafts for any loss or damage under any such insurance policy. If within ten (10) days after CFS's request, Customer fails to deliver satisfactory evidence of such insurance to CFS, then CFS shall have the right, but not the duty, to obtain insurance with respect to the Equipment satisfactory to CFS, at the expense of the Customer. Customer hereby agrees that CFS shall be entitled to retain any fees earned by it in connection with any insurance obtained under this Agreement.

14. LOSS; DAMAGE: Customer assumes and shall bear the entire risk of loss, theft, or damage to the Equipment from any cause whatsoever, effective upon delivery to Customer. No such loss, theft or damage shall relieve Customer of any obligation under this Agreement. In the event of damage to any item of Equipment, Customer shall immediately repair such damage at Customer's expense. If any item of Equipment is lost, stolen, or damaged beyond repair, Customer, at the option of CFS, will (a) replace the same with like equipment in a condition acceptable to CFS and convey clear title to such equipment to CFS (such equipment will become "Equipment" subject to the terms of this Agreement), or (b) pay CFS the Remaining Lease Balance. Upon CFS's receipt of the Remaining Lease Balance, Customer shall be entitled to whatever interest CFS may have in the Equipment, in its then condition and location, without warranties of any kind.

15. DEFAULT: Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) if Customer defaults in the payment when due of any indebtedness of Customer to CFS, whether or not arising under this Agreement, without notice or demand by CFS; (b) if Customer or any Guarantor ceases doing business as a going concern; (c) if Customer or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors; (d) if a petition or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) if a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of their property; (f) if any statement, representation or warranty made by Customer or any Guarantor to CFS is incorrect in any material respect; (g) if Customer or any Guarantor defaults under any loan or credit agreement; or (h) if Customer or any Guarantor who is a natural person dies.

16. REMEDIES: Upon the happening of any one or more Events of Default, CFS shall have the right to exercise any one or all of the following remedies (which shall be cumulative), simultaneously, or serially, and in any order: (a) to declare all unpaid Payments and other amounts due and payable under this Agreement, with CFS retaining title to the Equipment; (b) to terminate any and all agreements with Customer; (c) with or without notice, demand or legal process, to retake possession of any or all of the Equipment (and Customer authorizes and empowers CFS to enter upon the premises wherever the Equipment may be found) and (i) retain such Equipment and all Payments and other sums paid under this Agreement, or (ii) re-lease the Equipment and recover from Customer the amount by which the Remaining Lease Balance exceeds the value attributed to the Equipment by CFS for purposes of calculating the payment under the new Agreement, or (iii) sell the Equipment and recover from Customer the amount by which the Remaining Lease Balance exceeds the net amount received by CFS from such sale; or (d) to pursue any other remedy permitted at law or in equity. CFS (i) may dispose of the Equipment in its then present condition or following such preparation and processing as CFS deems commercially reasonable; (ii) shall have no duty to prepare the Equipment prior to sale; (iii) may disclaim warranties of title, possession, quiet enjoyment and the like; and (iv) may comply with any applicable state or federal law requirements in connection with a disposition of the Equipment and none of the foregoing actions shall be deemed to adversely affect the commercial reasonableness of the disposition of the Equipment. In the event the Equipment is not available for sale, the Customer shall be liable for the Remaining Lease Balance and any other amounts due under this Agreement.

17. LATE CHARGES; EXPENSES OF ENFORCEMENT: If Customer fails to pay any sum to be paid by Customer to CFS under this Agreement on or before the applicable due date, Customer shall pay CFS, upon demand, an amount equal to ten percent (10%) of each such delayed Payment or ten dollars (\$10) whichever is greater for each billing period or portion of a billing period such Payment is delayed to the extent permitted by law. The amounts specified above shall be paid as liquidated damages and as compensation for CFS's internal operating expenses incurred in connection with such late payment. In addition, Customer shall reimburse CFS for all of its out-of-pocket costs and expenses incurred in exercising any of its rights or remedies under this Agreement or in enforcing any of the terms or provision of this Agreement, including, without limitation, reasonable attorney's fees and expenses and fees and expenses of collection agencies, whether or not suit is brought. If CFS should bring court action, Customer and CFS agree that attorney's fees equal to twenty-five percent (25%) of the total amount sought by CFS shall be deemed reasonable for purposes of this Agreement.

18. ASSIGNMENT: CUSTOMER SHALL NOT ASSIGN OR PLEDGE THIS AGREEMENT IN WHOLE OR IN PART, NOR SHALL CUSTOMER SUBLET OR LEND ANY ITEM OF EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF CFS. CFS may pledge or transfer this Agreement. Customer agrees that if CFS transfers this Agreement, the new owner will have the same rights and benefits that CFS has now and will not have to perform any of CFS's obligations which CFS will continue to perform. Customer agrees that the rights of the new owner will not be subject to any claims, defenses, or set-offs that Customer may have against CFS, including without limitation, claims, defenses or set-offs arising out of service obligations, if any, under this Agreement. If Customer is given notice of any such transfer, Customer agrees, if so directed therein, to pay directly to the new owner all or any part of the amounts payable hereunder.

19. RENEWAL; RETURN: Except in the case of an Agreement containing \$1.00 purchase option, this Agreement shall automatically renew on a month to month basis at the same Payment amount and frequency unless Customer, at least sixty (60) days before the end of the scheduled term or any renewal term, either (i) exercises the purchase option in accordance with the terms hereof or (ii) sends to CFS written notice that Customer does not want to renew this Agreement, and at the end of such term returns the Equipment as provided below. CFS may cancel the automatic renewal term by, at least sixty (60) days before the end of any term, sending the Customer written notice that CFS does not want the Agreement to renew. Unless this Agreement automatically renews or Customer purchases the Equipment as provided in this Agreement, Customer shall, at the termination of this Agreement, return the Equipment at its sole cost and expense in good operating condition, ordinary wear and tear resulting from proper use excepted, to a location specified by CFS. If for any reason Customer shall fail to return the Equipment to CFS as provided in this Agreement by the last day of the applicable term, Customer shall pay to CFS upon demand one billing period's Payment for each billing period or portion thereof that such delivery is delayed.

20. PURCHASE OPTION: (A) END OF TERM PURCHASE OPTION. Customer shall give CFS sixty (60) days prior irrevocable written notice (unless the Purchase Option is \$1.00) that it will purchase all the Equipment at the end of the initial term or any renewal term for the purchase option price indicated on the face of this Agreement plus any applicable taxes, expenses, charges and fees. (B) PRIOR TO MATURITY PURCHASE. Customer may, at any time, upon sixty (60) days irrevocable written notice purchase all (but not less than all) the Equipment at a price equal to the sum of all remaining Payments plus the Fair Market Value, plus any applicable taxes, expenses, charges and fees. For purposes of this Agreement, "Fair Market Value" shall be CFS's retail price at the time Customer notifies CFS of its intent to purchase the Equipment, but not less than 20% of the total cost of the Equipment. Equipment purchases shall not be available to Customer if a default hereunder has occurred and is continuing. Upon proper notice and payment by Customer of the amounts specified above, CFS shall transfer the Equipment to Customer "AS-IS WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate.

21. DATA: Customer acknowledges that the hard drive(s) on the Equipment, including attached devices, may retain images, content or other data that Customer may store for purposes of normal operation of the Equipment ("Data"). Customer acknowledges that CFS is not storing Data on behalf of Customer and that exposure or access to the Data by CFS, if any, is purely incidental to the services performed by CFS. Neither CFS nor any of their affiliates has an obligation to erase or overwrite Data upon Customer's return of the Equipment to CFS. Customer is solely responsible for: (i) its compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (ii) all decisions related to erasing or overwriting Data. Without limiting the foregoing, Customer should, prior to return or other disposition of the Equipment, utilize the Hard Disk Drive (HDD) (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) if found on the Equipment to perform a one pass overwrite of Data or, if Customer has higher security requirements, Customer may purchase from its Canon dealer at current rates an appropriate option for the Equipment, which may include (a) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (b) an HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data or (c) a replacement hard drive (in which case the Customer should properly destroy the replaced hard drive). Customer will indemnify CFS, their subsidiaries, directors, officers, employees and agents from and against any and all costs, expenses, liabilities, claims, damages, losses, judgments or fees (including reasonable attorneys' fees) arising or related to the storage, transmission or destruction of the Data. This section survives termination or expiration of this Agreement.

22. WARRANTY OF BUSINESS PURPOSE: Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes.

23. PERSONAL PROPERTY: The Equipment shall remain personal property regardless of whether it becomes affixed to real property or permanently rests upon any real property or any improvement to real property.

24. MAXIMUM INTEREST; RECHARACTERIZED AGREEMENT: No Payment is intended to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable laws, and any such excess Payment will be applied to payments due under this Agreement, in inverse order of maturity, and thereafter shall be refunded. If this Agreement is recharacterized as a conditional sale or loan, Customer hereby grants to CFS, its successors and assigns, a security interest in the Equipment to secure payment and performance of Customer's obligations under this Agreement.

25. UCC - ARTICLE 2A: CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS INTENDED AS A "FINANCE LEASE" AS THAT TERM IS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AND THAT CFS IS ENTITLED TO ALL BENEFITS, PRIVILEGES AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE.

26. WAIVER OF OFFSET: This Agreement is a net lease. If the Equipment is not properly installed, does not operate as represented or warranted, or is unsatisfactory for any reason, Customer shall make such claim solely against the supplier, dealer, or manufacturer. Customer waives any and all existing and future claims and offsets against any Payments or other charges due under this Agreement, and unconditionally agrees to pay such Payments and other charges, regardless of any offset or claim which may be asserted by Customer or on its behalf.

27. NOTICES: All notices required or permitted under this Agreement shall be sufficient if delivered personally, sent via facsimile or other electronic transmission, or mailed to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from CFS to Customer shall be effective three days after it has been deposited in the mail, duly addressed. All notices to CFS from Customer shall be effective after it has been received via U.S. Mail, express delivery, facsimile or other electronic transmission.

28. ELECTRONIC ACCEPTANCE: Customer agrees that CFS may accept a facsimile or other electronic transmission of this Agreement or any Acceptance Certificate as an original, and that facsimile or electronically transmitted copies of Customer's signature will be treated as an original for all purposes.

29. NON-WAIVER: No waiver of any of Customer's obligations, conditions or covenants shall be effective unless contained in a writing signed by CFS. Failure to exercise any remedy which CFS may have shall not constitute a waiver of any obligation with respect to which Customer is in default.

30. MISCELLANEOUS: If there should be more than one party executing this Agreement as Customer, all obligations to be performed by Customer shall be the joint and several liability of all such parties. Customer's representations, warranties, and covenants under this Agreement shall survive the delivery and return of the Equipment. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement. No such prohibition or unenforceability in any jurisdiction shall invalidate or render unenforceable such provision in any other jurisdiction. Customer agrees that CFS may insert missing information or correct other information on this Agreement including the Equipment's description, serial number, and location, otherwise, this Agreement contains the entire arrangement between Customer and CFS and no modifications of this Agreement shall be effective unless in writing and signed by the parties.

31. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL: THIS AGREEMENT HAS BEEN EXECUTED BY CFS IN, AND SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN, THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN CUSTOMER AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE THE CUSTOMER OR THE EQUIPMENT IS LOCATED. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVES OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.



CANON FINANCIAL SERVICES, INC. ("CFS")

14904 Collections Center Dr.
Chicago, Illinois 60693

Municipal Fiscal Funding Addendum

| |
|----------------------|
| Agreement Number: |
| Agreement Date: |

GOVERNMENTAL ENTITY

Complete Legal Name

City of Bartlesville

("Customer")

THIS ADDENDUM WILL BE OF NO FORCE OR EFFECT IF THE CUSTOMER IS NOT A STATE OR A POLITICAL SUBDIVISION OF A STATE WITHIN THE MEANING OF SECTION 103(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Customer warrants that it has funds available to pay the lease payments ("Payments") payable pursuant to the lease agreement (the "Agreement") between Customer and CFS until the end of its current appropriation period and warrants that it presently intends to make Payments in each appropriation period from now until the end of the Agreement. The officer of the Customer responsible for preparation of Customer's annual budget shall request from its legislative body or funding authority funds to be paid to CFS under the Agreement. If notwithstanding the making in good faith of such request in accordance with appropriate procedures and with the exercise of reasonable care and diligence, such legislative body or funding authority does not appropriate funds to be paid to CFS for the Equipment, Customer may, upon prior written notice to CFS, effective upon the exhaustion of the funding authorized for the then current appropriation period, return the Equipment to CFS, at Customer's expense and in accordance with the Agreement, and thereupon, Customer shall be released of its obligations to make Payments to CFS due thereafter, provided: (1) the Equipment is returned to CFS as provided for in the Agreement, (2) the above described notice states the failure of the legislative body or funding authority to appropriate the necessary funds as the reason for cancellation; and (3) such notice is accompanied by payment of all amounts then due to CFS. In the event Customer returns the Equipment pursuant to the terms of this Addendum and the Agreement, CFS shall retain all sums paid by Customer. Customer's Payment obligations under this Agreement in any fiscal year shall constitute a current expense of Customer for such fiscal year, and shall not constitute indebtedness or a multiple fiscal year obligation of Customer under Customer's state constitution, state law or home rule charter. Nothing in this Agreement shall constitute a pledge by Customer of any taxes or other monies, other than as appropriated for a specific fiscal year for this Agreement and the Equipment.

The undersigned represents and warrants to CFS that all action required to authorize the execution and delivery of this Addendum on behalf of the above referenced Governmental Entity by the following signatory has been duly taken and remains in full force and effect. CFS may accept a facsimile copy of this Addendum as an original for all purposes.

| ACCEPTED | |
|---|---|
| <p>Canon Financial Services, Inc.</p> <p>By _____</p> <p>Title _____</p> <p>Date _____</p> | <p>Customer</p> <p>By _____</p> <p>Printed Name _____</p> <p>Title _____</p> |

APPENDICE "A"

Included with the proposed solution for:



A check for the stream of payments will be provided to the City of Bartlesville for the remaining stream of payments not to exceed \$84,000.00. At which time the funds and/or credits will have been received by DocuForce from Canon.

It will be the responsibility of the City of Bartlesville to use the money as intended. In the event the City of Bartlesville does not make the payments as intended to Ricoh/Ikon for the current lease(s), they will not hold DocuFore or DocuForce staff responsible in any manner. DocuForce will return the equipment with return instructions provided by the leasing company. It is the responsibility of the City of Bartlesville to obtain the return instructions from the leasing company and provide them to DocuForce.

X _____

City of Bartlesville

Date

X _____

DocuForce

Date

EQUIPMENT SERVICE AGREEMENT- TERMS & CONDITIONS

1. **TERMS:** This Equipment Service Agreement ("ESA") shall become effective upon receipt by DocuForce hereafter referred to as DF of payment for the contract amount and tax specified herein. ESA pricing and terms must be in compliance with DF authorized published price schedule. The initial term is twelve (12) months from the Commencement Date. Upon expiration of the initial term, the ESA shall be automatically renewed for successive twelve (12) months terms at prevailing rates in effect at the time of the renewal, unless terminated by 30 days prior written notice by the CLIENT. (SEE EARLY TERMINATION)
2. **ELIGIBILITY FOR SERVICE:** Equipment is eligible for service under this ESA provided it is in good operating condition and acceptable environmental conditions. Prior to the Commencement Date of the ESA, necessary equipment repairs and/or adjustments shall be made at DF "per call" rates, terms and conditions then in effect. Equipment shall be considered in good operating condition immediately upon the expiration of the warranty, provided the equipment has not sustained abuse or damage.
3. **CHARGES:** Payment of the total yearly charge is due upon receipt of invoice. In addition to the yearly charge, CLIENT agrees to pay the Meter Charge for all images in excess of the Allowance (Images and allowance shall be defined as legal size documents or smaller/8.5 inches by 14 inches) Charges for maintenance services not covered under the ESA shall be invoiced using standard DF parts and labor rates, terms and conditions in effect when the service is performed. In the event CLIENT has unpaid delinquent invoices, DF has the option to refuse service and/or terminate the ESA and apply prorated amount towards past due invoices. Also, CLIENT agrees to pay DF all costs and expenses of collection including the maximum attorney fees permitted by law. Prices quoted in this ESA are for the initial term only and are subject to change without notice for successive terms. Meter charges may be estimated should CLIENT fail to respond to or if meter requests go unanswered.
4. **CLIENT REQUIREMENTS: The CLIENT shall:**
 - a. Notify DF immediately of equipment malfunction.
 - b. Allow DF personnel full and unrestricted access to all equipment and communications facilities.
 - c. Ensure that a CLIENT representative is present during service.
 - d. Provide DF personnel reasonable work space.
 - e. Maintain site conditions within the common environmental range of all equipment, supplies or media as specified by the Manufacturer or DF.
 - f. Perform preventative maintenance in accordance with the procedure and schedule listed in the Operating Manual supplied by DF to the CLIENT.
 - g. Provide and bear the costs of DF specified modems, data sets, and phone lines for equipment having remote diagnostic features.
 - h. Provide and bear the cost of the required electrical service and outlets for the proper operation of the system.
 - i. Provide and bear the cost of data lines and outlets to connect the system to a network or computer system including but not limited to any related items such as cords, connectors, computer drops or labor to install the equipment.
5. **SERVICE RESPONSIBILITIES OF DocuForce:**
 - a. Maintain the equipment in good operating condition and furnish service within the designated Work Day (8 a.m. to 5 pm, Monday through Friday, holidays excluded)
 - b. Provide scheduled preventative maintenance as specified by the Manufacturer. Maintenance shall include lubrication, cleaning, adjustments, and replacement of unserviceable parts deemed necessary to replace by DF. Preventative maintenance may be performed in conjunction with the service call.
 - c. Provide a continuous effort to repair the equipment malfunction.
 - d. Install equipment updates at no additional charge
6. **SERVICE LIMITATIONS:**
 - a. Maintenance or repair outside the designated Work Day (8 a.m. to 5 pm, Monday through Friday, holidays excluded)
 - b. Maintenance or repair, which, in the opinion of DF service personnel, is required *due to:*
 - i. improper treatment or use of the equipment
 - ii. foreign objects in the equipment to include but not limited to staples, paper clips, pens, etc.
 - iii. unauthorized attempts by other than DF personnel to repair, maintain, or modify the equipment
 - iv. causes external to DF maintained equipment
 - v. damages including but not limited to non-DF personnel moving the equipment, vandalism, fire, water damage, weather conditions, lightning, power disturbances, earthquakes, tornadoes, or other acts of God.
 - c. Maintenance or repair of accessories, attachments, equipment, software or other devices not furnished by DF
 - d. Maintenance or repairs resulting from CLIENT'S failure to maintain adequate electrical input power with respect to line fluctuations, or to comply with proper grounding requirements, or failure to maintain the environmental range for the equipment.
 - e. Maintenance or repair damage resulting from the use of consumables, supplies, or software not compatible with the equipment, as specified by the manufacturer.
 - f. The recreation of data lost for any cause
 - g. Reloading of print, scan, or fax software due to a CLIENT'S change in software, hardware, or error by the CLIENT'S staff.
 - h. DF is not responsible for any indirect, special, reliance, or consequential damages, whether or not foreseeable, including lost profits, goodwill, loss

of date or use, business interruption or procurement of substitute products or services, however caused and whether based in performance, use of products, Consulting Services, or Documentation or other services provided even if notified in advance of the possibility of such damages.

7. EQUIPMENT MOVEMENT

- a. CLIENT shall notify DF in writing thirty (30) days prior to moving equipment. DF shall be under no obligation to continue service if equipment is moved without the prior written approval of DF.
- b. DF shall, at its option, supervise the de-installation and re-installation of equipment CLIENT wishes to move. CLIENT shall pay for labor and materials provided during the movement at DF's then current rates, terms, and conditions.
- c. Any transfer of equipment covered by this ESA to a person other than the CLIENT listed herein, or to a location outside of DF's normal servicing area, will exclude such equipment from the terms of this ESA. Transfer of equipment to a different zone within DF's normal servicing area will result in an adjustment of charges to the applicable rate for the new zone.

8. LIMITATION OF LIABILITY AND WARRANTY

- a. DF's sole obligation under this agreement is to perform maintenance services as provided herein. CLIENT agrees that it has not relied on any warranty, representation, or provision not explicitly stated in this ESA, that no oral statement has been made in any way waives any of the terms or conditions of this ESA, and that this ESA constitutes the final written expression of all terms of this ESA and it is a complete and exclusive statement of those terms.
- b. CLIENT agrees that DF shall not be liable for any consequential, indirect, special, or incidental damages even if DF has been advised of the possibility of such damages.

9. GENERAL

- a. This ESA shall be governed by the laws of the State of Kansas and constitutes the entire contract between the CLIENT and DF. This ESA supersedes and terminates any and all prior agreements, if any, whether written or oral.
- b. Should any clause of this ESA be subsequently deemed unlawful, the remainder of this ESA shall remain in full force.
- c. DF reserves the right to terminate or refuse service when, in its opinion, conditions at the equipment location represent a hazard to the safety or health of any DF associate.

10. TONER LIMITATIONS AND CHARGES

- a. A reasonable quantity of toner will be shipped upon CLIENT request. DF reserves the right to determine what a reasonable quantity is based upon expected toner yield and actual CLIENT usage. We may charge you a supply freight fee to cover our cost of shipping supplies to you.
- b. CLIENT agrees to pay for any toner that exceeds the amount deemed reasonable by DF. CLIENT will receive a 20% discount off of retail on excess toner purchases.
- c. In the event either party terminates this ESA, CLIENT agrees to return any unused toner to DF or to pay for quantities recently delivered but not returned to DF.

11. COMPUTER SOFTWARE:

- Notwithstanding of any other terms and conditions of the Agreement, CLIENT agrees that as to software only:
- a. DF has not had, does not have, nor will have any title to such software.
 - b. The CLIENT has executed or will execute a separate software license agreement, and DF is not a party to and has no responsibilities whatsoever in regards to such license agreement.
 - c. CLIENT has selected such software and as per Agreement paragraph 8, we make no warranties of merchantability, data accuracy, system integration, or fitness for use and take no responsibility for the function or defective nature of such software, system integration, and Year 2000 compliance or otherwise in regards to such software. CLIENT'S obligations under this ESA shall in no way be diminished on account of or in any way related to the above said software license agreement or failure of the software.
 - d. DF cannot guarantee that all vendors will provide updated drivers for all products across all software platforms. If the CLIENT upgrades to a new operating platform all re-installation and upgrade services are by charge basis only. CLIENT understands that manufacturers may not develop drivers for all future platforms.

12. EARLY TERMINATION:

For each ESA having an initial term of less than 36 months, customers shall pay DF, as liquidated damages and not as a penalty, an early termination fee equal to the lesser of the base monthly service charge, or average monthly volume of the previous 6 months (whichever is greater), or the number of months remaining under the initial term of the ESA.

Initial [DocuForce Representative]: _____

Initial ["CLIENT" Representative]: _____

Date: _____

TO: Ed Gordon, City Manager
FROM: Terry Lauritsen, Director of Engineering
DATE: November 12, 2014
SUBJECT: Discuss and take action regarding a Real Estate Purchase Agreement with Mark and Francis Archambo

Over the last 10 years, the City has been experiencing consistent flows into the wastewater treatment plant that have exceeded the plants rated design capacity. Due to the frequency of these flows, a facility plan was initiated in 2004 and completed in 2010 to investigate options to either expand the current plant or build a secondary treatment plant south of town. In conjunction with the facility plan, a Wasteload Allocation (WLA) study was developed to determine the amount of effluent the river could assimilate without violating current water quality standards. A WLA is required by the Oklahoma Department of Environmental Quality (ODEQ) before any major plant upgrade or new treatment facility is pursued. Unfortunately, the results of the WLA predicted that more stringent discharge limits will be imposed, which will require more filters, tertiary treatment, etc. to expand the wastewater treatment plant at its current location. Thus, the capital cost for a plant expansion would be similar to the construction costs of a secondary wastewater treatment plant. Due to these costs, future expansion and growth patterns of the City, Council elected to pursue a secondary wastewater treatment plant.

In 2011, the City hired Tetra Tech, Inc., who performed the facility plan and wasteload allocation studies, to investigate potential sites suitable for a secondary wastewater treatment plant. The property needed to have a minimum of 20 acres out of the floodplain, and be located within 6-7 miles from the existing pump station at Silver Lake and Rice Creek Road (Limestone LS), since all the wastewater will be pumped to the new plant. From this criterion, 10 potential sites were identified and are shown on the following page. Each site was evaluated for electric/water availability, road access, proximity to the Limestone LS, for the influent, and the Caney River, for the discharge, as well as land valuation. Costs were assigned to each of these capital items and the sites were ranked.

The site specific capital costs (conveyance system, water/electricity extensions, land value, road access etc.) resulted in the following rankings (from least to most expensive): 1) Site #3, 2) Site #5, 3) Site #8, 4) Site #4, 5) Site #9A, 6) Site #1, 7) Site #9, 8) Site #2, 9) Site #6, 10) Site #7.

The operation and maintenance costs for each site (operation and maintenance of the pumps and conveyance system to and from each site) resulted in the following rankings (from least to most expensive): 1) Site #9A, 2) Site #9, 3) Site #8, 4) Site #3, 5) Site #4, 6) Site #5, 7) Site #7, 8) Site #1, 9) Site #6, 10) Site #2.

The total annualized life-cycle cost (considering both O&M and capital costs) resulted in the following rankings (from least to most expensive): 1) Site #3, 2) Site #8, 3) Site #5, 4) Site #9A, 5) Site #4, 6) Site #9, 7) Site #1, 8) Site #6, 9) Site #7, 10) Site #2.

Based on these rankings, the property owners of Sites #3, #4, #5, #8 & #9A were contacted to inquire if the City could perform an appraisal of their property to make an offer. The property owner for Sites #3, #4, & #5 (who are all the same) was not interested and would not allow the City to conduct an appraisal. The owner for site #8 was interested but stated the minimum price would be \$30k per acre and the City would need to purchase much more than 20 acres at this price (the price would be considerably higher if the City only purchased 20 acres). The resulting capital costs for this site, updating the land value, changed the overall ranking of site #8 from second to last (tenth). The owner of site #9A, Mark and Francis Archambo, was contacted, expressed interest and allowed the City to perform an appraisal of the property. The appraisal valued the land out of the floodplain at \$7,000 per acre, the land within the floodplain at \$1,750 per acre and the structures/improvements (houses, barns, etc.) at \$516,450. The 20 acres necessary for the treatment plant, which includes the structures/improvements, was valued at \$656,450 and the remaining parcel (83 acres), which is within the floodplain, was valued at \$145,250. Since this tract is the primary dwelling of Mr. and Mrs. Archambo, federal guidelines, pertaining to property acquisition, also allow for a price differential payment (the difference in the appraised value of the displacement dwelling and the purchase price of the replacement dwelling), and moving expenses. While there are no federal funds tied to this project, these guidelines were utilized since they have been vetted by the courts, through numerous lawsuits, and provide fair compensation to the property owner. The differential payment value for the Archambo's property was determined to be \$197,190 and the moving expenses were negotiated to \$5,000. In addition, there are active mineral rights on this tract. To ensure the City receives the revenue, which historically averages \$400 per month on a 3/16 share, and controls the minerals for this tract, if the lease becomes inactive, a price was negotiated for these mineral rights at \$30,000. Thus, the overall cost of the Archambo tract is \$1,033,890, and includes all the property (103 acres, 20 acres - \$140k, 83 acres - \$145.25k), structures (\$516.45k), price differential payment (\$197.19k), moving expenses (\$5k) and mineral rights (\$30k). The proposed real estate agreement, which is attached, has been reviewed by Jerry Maddux, City Attorney.

Funding for the property purchase was allocated this fiscal year through the Wastewater Regulatory Fund with a budget of \$1,200,000. There are sufficient funds to purchase this tract.

Staff recommends approval of the Real Estate Purchase Agreement with Mark and Francis Archambo.

Please schedule this item for Council consideration at its November 17th meeting.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT dated as of November __, 2014, is made by and between Mark W. Archambo and Francis C. Archambo, husband and wife (the "Seller"), and The City of Bartlesville; a municipal corporation ("City").

W I T N E S S E T H:

1. Agreement to Sell and Purchase. Subject to the terms and conditions of this Agreement, City hereby agrees to purchase from Seller, and Seller hereby agrees to sell to City the surface of and the oil, gas and other minerals in and under the real property situated in Washington County, State of Oklahoma, more specifically described and depicted in Exhibit "A" attached hereto, which real property includes, without limitation: (a) all of Seller's right, title and interest in and to the surface of and the oil, gas and other minerals in and under the land (the "Land"); and (b) all of the appurtenances belonging to the Land and all of Seller's right, title and interest in and to all streets, alleys and other public or private ways adjacent thereto, before or after vacation thereof (collectively, the "Property"). The Property shall not include any of the buildings, structures, fixtures and equipment (the "Improvements") in, on or under the Land, and, as hereinafter set forth, Seller may remove all or any part of the Improvements prior to surrender of possession.

2. Purchase Price. The purchase price (the "Purchase Price") which the City shall pay to Seller for the Property shall be One Million Thirty-three Thousand Eight Hundred Ninety Dollars (\$1,033,890) less apportionments and adjustments as provided here, to be paid by certified check at closing.

3. Time and Place of Closing. Closing shall occur at a date and time mutually agreeable to by the Seller and the City as soon as possible after the execution of this Agreement (the "Closing Date"), at the offices of The Musselman Abstract Company ("Title Company") at 216 E. 4th Street, Bartlesville, Oklahoma 74003.

4. Apportionments and Adjustments. The following items are to be apportioned to and adjusted between Seller and City as of the close of business on the Closing Date and are to be assumed and paid thereafter by City:

(a) all real estate taxes, general or special, and all other public or governmental charges or assessments against the Property, which are or may be payable on an annual basis (including charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the date hereof or subsequent

thereto), whether assessments have been levied or not as of the Closing Date.

(b) Ad valorem taxes shall be prorated and paid in accordance with 68 Okla. Stat. § 2940 at closing.

5. Risk of Loss Pending Closing. The risk of loss or damage to or destruction of the Property occurring prior to the Closing Date shall be upon Seller. Seller shall be entitled to remove prior to closing any or all of the Improvements, except fences.

6. Pre-Closing Requirements. Prior to Closing Date, City, at the City's sole cost and expense, may obtain each of the following items:

6.1. Title Insurance Commitment. City may obtain a commitment for an ALTA 1996 owner's policy of title insurance (the "Commitment") issued by the Title Company in the amount of the Purchase Price, showing marketable record title to the Property, in the Seller according to the Title Standards adopted by the Oklahoma Bar Association, subject to recorded plat restrictions, recorded utility easements and zoning ordinances, and subject to such other exceptions or encumbrances of record which may be approved in writing by the City (the "Permitted Title Exceptions"). Oil and Gas Leases of record shall be considered a Permitted Title Exception. Copies of all instruments constituting an exception in the Commitment shall accompany the Commitment. City shall have thirty (30) working days after receipt of the Commitment within which to submit in writing any objections to the title to Seller.

The owner's policy, when issued, shall insure over encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection, and shall delete all exceptions relating to survey matters and to mechanic's and materialmen's liens.

6.2. Survey. City may obtain an "as built" survey, prepared in accordance with ALTA/ACSM Minimum Standard Detail Requirements covering the Land, showing all Improvements, fences, easements, rights-of-way, building lines, roads and/or alleys and showing no encroachments upon the Land and no encroachments by any of the Improvements onto the adjacent property or onto recorded rights-of-way or easements. The survey shall be prepared by a registered land surveyor and shall contain a certification in favor of City and the Title Company that the survey is correct and accurate, the form and content of which certification shall in any event be approved by the Title Company for purposes of deleting the standard survey exceptions from the owner's policy of title insurance.

6.3. UCC Search. City may obtain a Uniform Commercial Code search which reflects that all personal property deemed fixtures hereunder is free from any security interest.

6.4. City's Objections; Seller's Option to Cure. Upon City's receipt and review of the items enumerated in this Section 6 above, in addition to any objections to the condition of the Property, as provided in Sections 9, 10 and 11 of this Agreement, City shall be entitled to deliver specific written objections to Seller as to any of such items (the "Objections"). Any Objections of City not described in a written notice delivered to Seller within thirty (30) days of City's receipt thereof shall be deemed waived by City. Upon the Seller's receipt of such Objections, the Seller shall be entitled to deliver written notice to City to the effect that within thirty (30) days thereof, the Seller will, at the Seller's sole costs and expense, satisfy one or more of City's Objections or that the Seller is either unable or refuses to satisfy either one or all of the Objections, in which event City shall be entitled to either (i) terminate this Agreement, or (ii) waive any such Objection in writing and proceed to closing.

7. Events Occurring at Closing.

7.1. Seller's Performance. The Seller shall deliver to City:

(a) A good and sufficient warranty deed accompanied by necessary documentary stamps paid by City, fully and duly executed and acknowledged, conveying fee simple title in and to the Property to City, subject only to the Permitted Title Exceptions.

(b) A "bills paid affidavit" executed by the Seller and verifying that there are no unpaid bills for labor performed, material supplied or services provided for or to the Property prior to the closing.

(c) All documents, fully executed, required to meet and/or cure all requirements and defects of title, if any.

(d) Proof of identification including, photo identification and social security cards or other proof of identification satisfaction to City.

7.2. City's Performance. City shall deliver to the Seller the Purchase Price (less prorations, credits or other adjustments) by certified check.

8. Closing Costs.

8.1. City's Costs. City shall pay the following costs and expenses in connection with the closing:

- (a) Recording fees for the warranty deed;
- (b) All escrow or closing fees charged by The Title Company if utilized for purposes of closing;
- (c) Documentary stamp taxes;
- (d) Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property, and similar expenses incidental to conveying the real property to the Agency. However, the Agency is not required to pay costs solely required to perfect the owner's title to the real property;
- (e) Penalty costs and other charges for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property;
- (f) The pro rata portion of any prepaid real property taxes which are allocable to the period after the Agency obtains title to the property or effective possession of it, whichever is earlier; and
- (g) Title insurance premiums.

8.2. Seller's Costs. The Seller shall pay the following costs and expenses in connection with the closing: recording fees for any title curative documents and the expense of bringing the abstract, covering both surface and minerals, to a current date.

8.3. Other Costs. All other expenses incurred by the Seller or City with respect to the consummation of the transaction contemplated by this Agreement, including but not limited to attorneys' fees of City and the Seller, are to be borne and paid exclusively by the party incurring same, without reimbursement except to the extent otherwise specifically provided in this Agreement.

9. Possession and Condition of the Property. The Seller shall be entitled to remain in occupancy of the surface of the Property, without payment of rent, until July 31, 2016.

10. Access Pending Closing. After execution of this Agreement and after closing, City and City's consultants, agents, architects and contractors shall have the right to enter the Property, at their own risk and at reasonable times,

for the purpose of examination and study. Entries shall be made at such times and in such a manner as to not interfere with the Seller. City shall give the Seller at least twenty-four (24) hours advance notice of any such entry. Upon request, the Seller shall deliver to City, without charge, copies of all drawings, specifications, utility plans, engineering data, environmental reports and/or audits, and all other plans, reports or information, with respect to the Property that are in the possession of the Seller.

11. Seller's Representations and Warranties. The Seller hereby represents and warrants to City as follows:

11.1 Legal Status. The Seller has all legal right and power to execute this Agreement and to carry out its terms and conditions and has taken all requisite actions for the execution of this Agreement and the consummation of the Seller's transactions contemplated by this Agreement.

11.2 Mechanics Liens. No work has been performed or is in progress at, and no materials have been furnished to, the Property, which though not presently the subject of a lien might give rise to mechanics', materialmen's or other liens against the Seller's interest in the Property or any improvements later erected on the Property.

11.3 Compliance with Laws. Neither the entering into of this Agreement nor the consummation of the transaction contemplated hereby shall constitute or result in a violation or breach by the Seller of any judgment, order, writ, injunction or decree issued against or imposed upon it, or shall result in a violation of any applicable law, order, rule or regulation of any governmental authority.

11.4 Violations. To the best of the Seller's knowledge, information and belief, there are no violations of, and Seller has received no notice or other record of any violations of, any federal, state or local laws, ordinances, orders, regulations and requirements affecting the Property.

11.5 Condemnation. Neither the whole, nor any portion, of the Property is subject to acquisition or use by a governmental authority or has been condemned or taken in any proceeding similar to a condemnation proceeding, nor is there now pending any condemnation, or similar proceeding affecting the Property. The Seller has received no notice nor has any knowledge that any such proceeding is contemplated.

11.6 Hazardous Substances. To the best of the Seller's knowledge, information and belief, there is no asbestos, radon, PCB's, fluorocarbons, or other Hazardous Substances on, in, under or about the Property. The Seller has not used,

generated, stored, transported, manufactured, treated, released or disposed of any Hazardous Substances on, in, under, or about the Property.

To the best of the Seller's knowledge, information and belief, there are not presently, and there have never been, any storage tanks on, in or about the Property. The Seller has no actual knowledge that the Property is in violation of any Environmental Laws, and to the best of Seller's knowledge, information and belief, the Property is not currently under investigation by any such agency.

Prior to closing, City may, at its expense, complete a general Phase I Environmental Assessment or Audit and such other environmental audits, assessments, reports, studies and tests for any specific materials the City desires. If the result of any Phase I Environmental Assessment or Audit or any other test or reports for Hazardous Substances or asbestos or asbestos containing materials are unacceptable to City, the City may,

- (a) terminate this Agreement by furnishing written notice of termination to the Seller;
- (b) and/or waive the defects and proceed to closing.

With respect to the terms "Hazardous Substances" and "Environmental Laws," they shall have the following meaning and definitions:

(i) Environmental Laws: means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. 9601, et seq. in the Superfund Amendments and Reauthorization Act, 42 U.S.C. 9601, et seq. and in the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq. and in the Clean Air Act, 42 U.S.C. 7401, et seq., as any of the preceding may be amended from time to time, and any other substances considered hazardous, toxic or otherwise harmful pursuant to any other applicable laws or regulations relating to pollution or protection of human health or the environment.

(ii) Hazardous Substances: means substances defined as a "hazardous substance" or "toxic substance" in the Environmental Laws in effect on the date any representation or warranty is made pursuant to this Agreement.

11.7 Full Disclosure. The Seller knows of no materially adverse fact affecting or threatening to affect the Property which has not been disclosed to City in this Agreement.

11.8 Litigation. To the Seller's knowledge, there is no action, suit, proceeding, or investigation pending, or threatened, against the Seller or the Property, which would material adversely affect the Property, including, without limitation, those relating in any way to Environmental Laws or Hazardous Substances.

11.9 Encumbrances. To the Seller's knowledge, the property is not subject to or encumbered by any lease, leases or leasehold interests that cannot be terminated by the Seller prior to closing.

11.10 Completeness of Representations No representation or warranty made by the Seller in this Agreement intentionally contains any untrue statement of a material fact or intentionally omits to state any material fact necessary to make the statements contained not false or misleading.

Upon knowledge by the Seller of any untruth or inaccuracy in any representation or warranty made by the Seller or of any change in facts which are the subject of any representation or warranty made by the Seller, the Seller shall send notice to City of the nature of any such matter promptly.

If City discovers during the course of its study of the Property that any representation or warranty of the Seller were untrue or inaccurate when made by the Seller, City shall send the Seller notice of any such matter promptly. The Seller shall have the opportunity to cure the cause of such untruth or inaccuracy within thirty (30) days after either (a) the Seller's knowledge of such untruth or inaccuracy; or (b) the Seller's receipt of notice from City describing such untruth or inaccuracy, during which time the Seller shall exercise due diligence and good faith in endeavoring to cure the cause of such untruth or inaccuracy.

11.11 Survival. The representations and warranties provided the Seller herein, shall, in the event of default, survive closing, and remain in full force and effect thereafter.

12. Commissions. Both City and Seller warrant and represent to the other that neither has used the services of any real estate agent, broker or finder in connection with this transaction.

13. Notices. Any notices required or permitted to be given by either party to the other shall have been deemed to have been served when hand delivered or, if the United States Mail is used, on the three (3) business day after the notice is deposited in the United States Mail, postage prepaid, registered or certified mail, and addressed to the parties as follows:

To Seller: Mark W. Archambo
Francis C. Archambo
310 S. Osage
Bartlesville, Oklahoma 74003

with copy to: Bruce W. Robinett
P.O. Box 1066
Bartlesville, Oklahoma 74005

To City: City Manager
401 S. Johnstone
Bartlesville, Oklahoma 74030

with copy to: Jerry M. Maddux
P.O. Drawer Z
Bartlesville, Oklahoma 74005

Either party, by written notice to the other, may change its address to which notices are to be sent.

14. Default and Penalties.

14.1 Seller's Defaults; City's Remedies.

(a) Seller's Defaults. The Seller shall be deemed to be in default hereunder in the event that the Seller shall fail to comply with or observe any covenant, agreement, or obligation on the Seller's part to be performed within the time limits and in the manner required herein or in the event any of the conditions precedent described herein shall not have been complied with or waived by City.

(b) City's Remedies. In the event the Seller shall be deemed to be in default by virtue of the occurrence of any one or more of the events specified herein, City may, at its option do one of the following as City's sole and exclusive remedy for such default:

(i) Terminate this Agreement by written notice delivered to the Seller on or before Closing Date, and on such termination, the parties shall have no further obligations under this Agreement;
or

(ii) Enforce specific performance of this Agreement against the Seller.

14.2 City's Defaults; Seller's Remedies.

(a) City's Defaults. City shall be deemed to be in default hereunder in the event that City shall fail to comply with or observe any covenant, agreement, or obligation on City's part to be performed within the time limits and in the manner required herein.

(b) Seller's Remedies. In the event City shall be deemed to be in default, the Seller may, at the Seller's option, terminate this Agreement by written notice to City, or enforce specific performance of this Agreement against City.

15. Miscellaneous Provisions.

15.1 Gender. As used herein the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

15.2 Binding Effect. This Agreement shall be binding upon the parties hereto and on their respective successors or assigns.

15.3 Entire Agreement. This Agreement contains the final and entire agreement between the parties and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained. Any subsequent amendment to this Agreement shall be valid only if executed in writing by both parties to this Agreement or their successors or assigns.

15.4. Governing Law. This Agreement shall be construed, interpreted and enforced according to the laws of the State of Oklahoma without regard to principles of conflict of laws. Jurisdiction and venue for any action pertaining to this Agreement shall be the Washington County District Court.

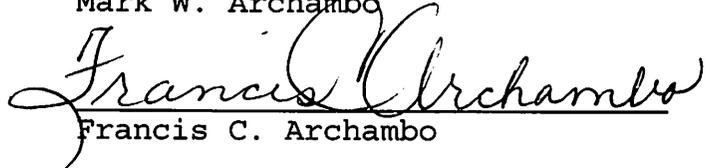
15.5 Time. Time shall be of the essence for this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement and affixed their seals as of the date and year first above written.

SELLER



Mark W. Archambo



Francis C. Archambo

THE CITY OF BARTLESVILLE

By _____
Mayor

ATTEST:

City Clerk

REVIEWED for form and legality.



Municipal Counselor

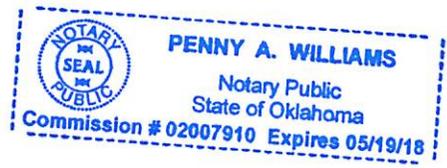
SELLER'S ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me on this 12
day of November 2014, by Mark W. Archambo and Francis C.
Archambo, husband and wife.

Penny Williams
Notary Public

(seal)
My Commission Expires:
5-19-2008
Commission No. 02 007910



CITY'S ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF WASHINGTON)

This instrument was acknowledged before me on this _____
day of _____, 2014, by _____, as
Mayor and City Clerk of The City of Bartlesville, a municipal
corporation.

Notary Public

(seal)
My Commission Expires:

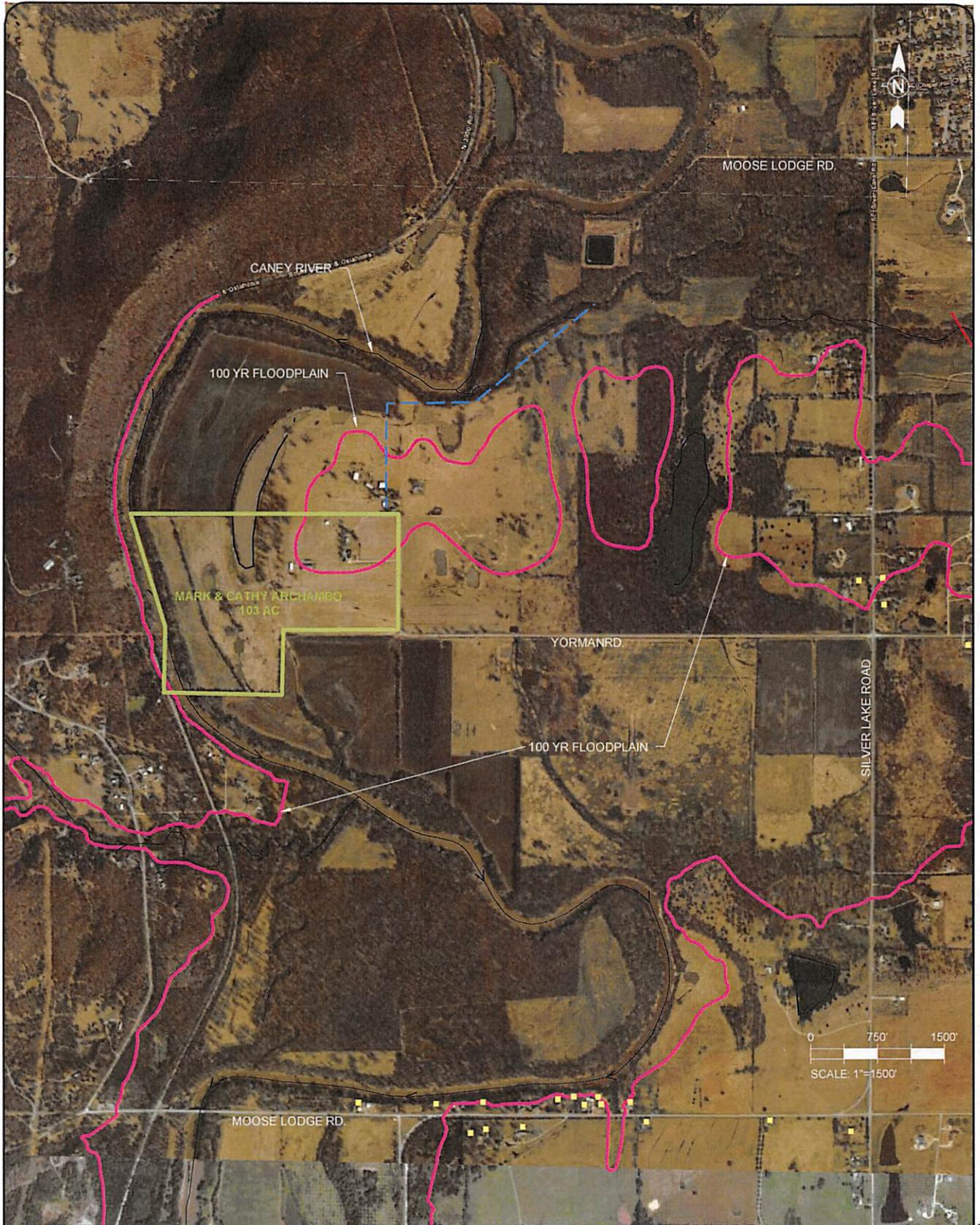
Commission No. _____

Exhibit "A"

The following described real estate situated in Washington County, Oklahoma, to-wit:

The North 20.06 acres of Lot 2, Section 1, Township 25 North, Range 12 East of the Indian Meridian; plus the S/2 of the SE/4 of Section 36, Township 26 North, Range 12 East; plus the S/2 of the SW/4 lying east of the centerline of the Caney River, Section 36, Township 26 North, Range 12 East, Washington County, Oklahoma.

9/3/2014 10:27:22 AM - P:\11458\131-11458-11001\CAD\1\SHEETFILES\SITE 9.DWG - BURROW, JOHN



TETRA TECH

www.tetrattech.com

7645 E. 63rd St., Suite 301

Tulsa OK 74133

Phone: 918.249.3909 Fax: 918.249.3930

CITY OF BARTLESVILLE
WATEWATER SYSTEM IMPROVEMENTS

AERIAL IMAGE
ARCHAMBO PROPERTY

Project No.: 131-11458-11001

Date: MARCH 2014

Designed By: NELSON

FIGURE

1

Copyright: Tetra Tech

Bar Measures 1 inch

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA (THE "CITY") MET IN SPECIAL SESSION IN THE COUNCIL CHAMBERS AT CITY HALL LOCATED AT 401 SOUTH JOHNSTONE AVENUE IN SAID CITY ON THE 17TH DAY OF NOVEMBER, 2014, AT 7:00 O'CLOCK P.M.

PRESENT:

ABSENT:

Notice of this Special Meeting was given in writing to the City Clerk of Bartlesville at _____.m. on the ____ day of November, 2014, forty-eight (48) hours or more prior to this meeting and public notice of this meeting, setting forth the date, time, place and agenda was posted at the entry to City Hall, 401 South Johnstone Avenue, in Bartlesville, Oklahoma, in prominent view and open to the public twenty-four (24) hours each day, seven days each week at _____.m. on the ____ day of November, 2014, being twenty-four (24) hours or more prior to this meeting, excluding Saturdays, Sundays and State designated legal holidays, all in compliance with the Oklahoma Open Meeting Act.

(OTHER PROCEEDINGS)

It appearing that due and legal notice had been given that said City would offer for sale on this date and at this hour and at this place its \$5,200,000 of Combined Purpose General Obligation Bonds, Series 2014B, maturing \$575,000 on December 1, 2016 and \$575,000 annually each year thereafter until paid, except the last installment shall be for \$600,000, the governing body proceeded to consider the bids received for the purchase of said Bonds. The following bids were received and considered by the governing body:

| Bidders | True Interest Cost | Net Interest Cost | Premium |
|---------|--------------------|-------------------|----------|
| | _____ % | \$ _____ | \$ _____ |
| | | | |
| | | | |

The governing body required each bidder to submit with his bid a sum in cash or its equivalent, equal to two percent (2%) of his bid and, after due consideration of all bids received by the governing body, a motion was made by _____ that the Bonds be awarded, sold and delivered to _____, upon fulfillment of the terms set out in said contract and bid for the purchase of said Bonds. Said motion was seconded by _____ and was adopted by the following vote:

AYE:

NAY:

(SEAL)

Mayor

ATTEST:

City Clerk

ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA (THE "CITY") MET IN SPECIAL SESSION IN THE COUNCIL CHAMBERS AT CITY HALL LOCATED AT 401 SOUTH JOHNSTONE AVENUE IN SAID CITY ON THE 17TH DAY OF NOVEMBER, 2014, AT 7:00 O'CLOCK P.M.

PRESENT:

ABSENT:

Notice of this Special Meeting was given in writing to the City Clerk of Bartlesville at _____.m. on the ____ day of November, 2014, forty-eight (48) hours or more prior to this meeting and public notice of this meeting, setting forth the date, time, place and agenda was posted at the entry to City Hall, 401 South Johnstone Avenue, in Bartlesville, Oklahoma, in prominent view and open to the public twenty-four (24) hours each day, seven days each week at _____.m. on the ____ day of November, 2014, being twenty-four (24) hours or more prior to this meeting, excluding Saturdays, Sundays and State designated legal holidays, all in compliance with the Oklahoma Open Meeting Act.

(OTHER PROCEEDINGS)

Thereupon Mayor _____ introduced an Ordinance, which was read in full by the Clerk, and upon motion by _____, seconded by _____, said Ordinance was adopted by the following vote:

AYE:

NAY:

and upon motion by _____, seconded by _____, the question of the emergency was ruled upon separately and approved with the following vote:

AYE:

NAY:

Said Ordinance was thereupon signed by the Mayor, attested by the Clerk, sealed with the seal of said municipality and is as follows:

ORDINANCE NO. ____

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF COMBINED PURPOSE GENERAL OBLIGATION BONDS, SERIES 2014B, IN THE SUM OF \$5,200,000 BY THE CITY OF BARTLESVILLE, OKLAHOMA, AUTHORIZED AT AN ELECTION DULY CALLED AND HELD FOR SUCH PURPOSE; PRESCRIBING FORM OF BONDS; PROVIDING FOR REGISTRATION THEREOF; APPROVING THE FORM OF A CONTINUING DISCLOSURE CERTIFICATE; ESTABLISHING THE CITY'S REASONABLE EXPECTATION WITH RESPECT TO ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR CALENDAR YEAR 2014 AND DESIGNATING BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; PROVIDING FOR LEVY OF AN ANNUAL TAX FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE SAME AND FIXING OTHER DETAILS OF THE ISSUE; AND DECLARING AN EMERGENCY.

WHEREAS, on the 26th day of June, 2012, pursuant to notice duly given, an election was held in the City of Bartlesville, Oklahoma, for the purpose of submitting to the registered qualified voters the question of the issuance of the bonds of said municipality in the amount of \$325,000 for the purpose of acquiring information technology (referred to herein as the "Information Technology Bonds"), all to be owned exclusively by the City (Proposition No. 1); and

WHEREAS, as shown by the Official Certificate of Votes by the County Election Board of Washington County, Oklahoma, at said election there were cast by the registered qualified voters of said municipality 4,855 votes, of which 2,756 were in favor of and 2,099 were against the issuance of said bonds; and

WHEREAS, a lawful majority of the registered qualified voters voting on Proposition No. 1 cast their ballots in favor of the issuance of said bonds, the issuance thereof has been duly authorized; and

WHEREAS, on the 26th day of June, 2012, pursuant to notice duly given, an election was held in the City of Bartlesville, Oklahoma, for the purpose of submitting to the registered qualified voters the question of the issuance of the bonds of said municipality in the amount of \$7,085,000 for the purpose of constructing and equipping a public safety complex to include the acquisition of property, the renovation, construction, expansion, and equipping of the existing Central Fire Station No. 1 facility, and to construct and equip a new police administration facility adjacent thereto, and providing firefighting equipment (referred to herein as the "Public Safety Complex Bonds"), all to be owned exclusively by the City (Proposition No. 2); and

WHEREAS, as shown by the Official Certificate of Votes by the County Election Board of Washington County, Oklahoma, at said election there were cast by the registered qualified voters of said municipality 4,859 votes, of which 2,983 were in favor of and 1,876 were against the issuance of said bonds; and

WHEREAS, a lawful majority of the registered qualified voters voting on Proposition No. 2 cast their ballots in favor of the issuance of said bonds, the issuance thereof has been duly authorized; and

WHEREAS, on the 26th day of June, 2012, pursuant to notice duly given, an election was held in the City of Bartlesville, Oklahoma, for the purpose of submitting to the registered qualified voters the question of the issuance of the bonds of said municipality in the amount of \$2,240,000 for the purpose of constructing, equipping, and improving City parks and City cultural and recreational facilities (referred to herein as the “Parks, Recreational, and Cultural Bonds”), all to be owned exclusively by the City (Proposition No. 3); and

WHEREAS, as shown by the Official Certificate of Votes by the County Election Board of Washington County, Oklahoma, at said election there were cast by the registered qualified voters of said municipality 4,861 votes, of which 2,771 were in favor of and 2,090 were against the issuance of said bonds; and

WHEREAS, a lawful majority of the registered qualified voters voting on Proposition No. 3 cast their ballots in favor of the issuance of said bonds, the issuance thereof has been duly authorized; and

WHEREAS, on the 26th day of June, 2012, pursuant to notice duly given, an election was held in the City of Bartlesville, Oklahoma, for the purpose of submitting to the registered qualified voters the question of the issuance of the bonds of said municipality in the amount of \$5,350,000 for the purpose of constructing, reconstructing, and improving streets and roads in the City (referred to herein as the “Street and Road Bonds”) (Proposition No. 4); and

WHEREAS, as shown by the Official Certificate of Votes by the County Election Board of Washington County, Oklahoma, at said election there were cast by the registered qualified voters of said municipality 4,689 votes, of which 3,252 were in favor of and 1,437 were against the issuance of said bonds; and

WHEREAS, a lawful majority of the registered qualified voters voting on Proposition No. 4 cast their ballots in favor of the issuance of said bonds, the issuance thereof has been duly authorized; and

WHEREAS, the City Council of said City previously issued \$325,000 of said Information Technology Bonds, \$1,485,000 of said Public Safety Complex Bonds, and \$1,190,000 of said Parks, Recreational, and Cultural Bonds, all as part of its \$3,000,000 Combined Purpose General Obligation Bonds, Series 2012 dated November 1, 2012; and

WHEREAS, the City Council of said City previously issued \$146,000 of said Parks, Recreational, and Cultural Bonds, \$1,354,000 of said Street and Road Bonds, all as part of its \$1,500,000 Combined Purpose General Obligation Bonds, Series 2014 dated June 1, 2014; and

WHEREAS, it is deemed advisable by the governing body of said municipality at this time to issue the amount of \$5,100,000 in such Public Safety Complex Bonds and \$100,000 in such Parks, Recreational, and Cultural Bonds, and to offer said bonds for sale as a combined issue, pursuant to Title 62, Oklahoma Statutes 2011, Sections 353 and 354, as amended.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BARTLESVILLE, OKLAHOMA:

Section 1. That there are hereby ordered and directed to be issued the bonds of said City in accordance with the form as hereinafter set out, in the aggregate amount of Five Million Two

Hundred Thousand Dollars (\$5,200,000), which said Bonds shall be designated “Combined Purpose General Obligation Bonds, Series 2014B”, shall be dated December 1, 2014, and become due and payable and bear interest from their date until paid as follows:

| | | | | |
|-----------|-------------|------------------|----|--|
| \$575,000 | maturing on | December 1, 2016 | at | |
| \$575,000 | maturing on | December 1, 2017 | at | |
| \$575,000 | maturing on | December 1, 2018 | at | |
| \$575,000 | maturing on | December 1, 2019 | at | |
| \$575,000 | maturing on | December 1, 2020 | at | |
| \$575,000 | maturing on | December 1, 2021 | at | |
| \$575,000 | maturing on | December 1, 2022 | at | |
| \$575,000 | maturing on | December 1, 2023 | at | |
| \$600,000 | maturing on | December 1, 2024 | at | |

Such interest payable semi-annually on the 1st day of June and December of each year, commencing on the 1st day of June, 2016. The Bonds are issuable as registered Bonds in denominations of \$1,000.00 or any whole multiple thereof.

Section 2. That each of said Bonds and the endorsements and certificates thereon shall be in substantially the following form:

[Form of Bond]

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF OKLAHOMA

CITY OF BARTLESVILLE, OKLAHOMA
COMBINED PURPOSE GENERAL OBLIGATION BOND, SERIES 2014B

| <u>CUSIP</u> | <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>DUE</u> |
|--------------|----------------------|-------------------|------------------|
| | _____ % | | December 1, 2024 |

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PEOPLE BY THESE PRESENTS: That the City of Bartlesville, Oklahoma, hereby acknowledges itself indebted to and for value received, promises to pay the principal amount set forth above to the person named below:

_____ or registered assigns (hereinafter called the "Registered Holder"), for the bond number(s) set forth above, together with interest thereon at the rate specified hereon, from the date hereof until paid, payable semi-annually on the 1st day of June and December of each year, commencing on the 1st day of June, 2016.

The principal of and interest on this Bond are payable in lawful money of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts. Payments of interest hereon shall be paid by check of BOKF, NA dba Bank of Oklahoma, Oklahoma City, Oklahoma (herein called the "Paying Agent/Registrar") payable to the order of the Registered Holder and mailed to the address shown in the Registration Record on or before the date on which each such payment is due. Payment of principal of this Bond shall be payable only upon surrender of this Bond to the Paying Agent/Registrar.

THE FULL FAITH, CREDIT AND RESOURCES of said City are hereby irrevocably pledged to the payment of this Bond.

THIS BOND is one of an issue of like date and tenor, except as to date of maturity, rate of interest, denomination, totaling the principal sum of Five Million Two Hundred Thousand Dollars (\$5,200,000) and is issued for the purpose of (i) renovating, constructing, expanding and equipping a public safety complex (\$5,100,000), and (ii) upgrading and equipping City parks and City cultural and recreational facilities (\$100,000) all to be owned exclusively by the City of Bartlesville, Oklahoma under Section 27, Article 10, of the Oklahoma Constitution and Statutes of the State of Oklahoma complementary, supplementary and enacted pursuant thereto.

No person shall be entitled to any right or benefit provided in this Bond unless the name of such person is registered by the Paying Agent/Registrar as the Registrar of the City on the Registration Record. This Bond shall be transferrable only upon delivery of this Bond to the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar, duly executed by the Registered Holder hereof or his attorney duly authorized in writing, and such transfer registered on the Registration Record. The Registrar shall not be required to make such transfer after the fifteenth (15th) day preceding any interest payment date until after said latter date. The name of the Registered Holder endorsed hereon shall be deemed the correct name of the owner of this Bond for all purposes whatsoever. The Registrar will keep the Registration Record open for registration of ownership of registered Bonds during its business hours. In the event of a change of Registrar for any reason, notice thereof shall be mailed, by registered or certified United States Mail, postage prepaid, to the Registered Holder at the address shown in the Registration Record, and such notice shall be effective on the date of mailing and sufficient as to all persons.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done, precedent to and in the issuance of this Bond have been properly done, happened and been performed in regular and due form and time as required by law and that the total indebtedness of said City, including this Bond, and the series of which it forms a part, does not exceed any constitutional or statutory limitation; and that due provision has been made for the collection of an annual tax sufficient to pay the interest on this Bond as it falls due and also to constitute a sinking fund for the payment of the principal hereof at maturity.

IN WITNESS WHEREOF, said City has caused this Bond to be executed with the manual or facsimile signature of its Mayor, attested with the manual or facsimile signature of its Clerk, and sealed with a facsimile seal of the City this ____ day of _____, 20__.

(SEAL)

Mayor

ATTEST:

City Clerk

SECTION 3. That each of said Bonds shall be executed by manual or facsimile signature of the Mayor and have the facsimile corporate seal of said City imprinted thereon, and be attested by the Clerk of said City by manual or facsimile signature; that said officers be and are hereby authorized and directed to cause said Bonds to be prepared and to execute the same for and on behalf of said City; have the same registered by the Treasurer, endorsed by the District Attorney and County Clerk and presented to the Attorney General, *Ex Officio* Bond Commissioner, together with a certified transcript of all proceedings had in connection with their issue, for his approval and endorsement; that thereafter said Bonds shall be delivered to the purchaser upon payment of the purchase price thereof, which shall not be less than par and accrued interest. The proceeds derived from the sale of said Bonds shall be placed in a special fund and used solely for the purpose of providing funds for the purpose set out in the Bond in Section 2 hereof.

SECTION 4. Whenever any registered Bond or Bonds shall be exchanged for another registered Bond or Bonds of different denomination, the Registrar shall cancel the Bond or Bonds surrendered in such exchange on the face thereof and on the Registration Record. If the supply of registered Bonds for making exchanges shall have been exhausted, the Registrar shall cause additional registered Bonds to be prepared, at the expense of the City. The City covenants that upon request of the Registrar, its appropriate officers promptly will execute such additional registered Bonds on behalf of the City.

SECTION 5. The Paying Agent/ Registrar for all registered Bonds issued pursuant to this Ordinance shall be BOKF, NA dba Bank of Oklahoma, Oklahoma City, Oklahoma, which shall maintain a Registration Record for the purpose of registering the name and address of the Registered Holder of each registered Bond. The Registrar will keep the Registration Record open for registrations during its business hours. In the event of a change of Registrar, notice thereof shall be mailed, registered or certified United States Mail, postage prepaid, to the Registered Holder of each registered Bond. The name and address of the Registered Holder as the same appears on the Registration Record shall be conclusive evidence to all persons and for all purposes whatsoever and no person other than the Registered Holder shown on the Registration Record shall be entitled to any right or benefit in relation to the Bond so registered; provided, that the foregoing shall not apply to any successor by operation of law of such Registered Holder. Registered Bonds shall be transferrable only upon delivery of such Bonds to the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar, executed by the Registered Holder thereof or his attorney duly authorized in writing, and such transfer registered on the Registration Record. If the Form of Assignment of such Bonds is exhausted, such Registered Bonds delivered to the Registrar for registration of transfer shall be canceled by the Registrar on the face thereof and the Registrar shall authenticate and deliver to the transferee Bonds in aggregate principal amount equal to the unpaid principal of the surrendered Bonds in new registered Bonds, in denominations of \$1,000.00 or any multiple thereof. The Registrar shall not be obligated to make such transfer after the fifteenth (15th) day preceding any interest payment date until after said latter date.

SECTION 6. There is hereby created and established a system of registration for uncertificated registered public obligations with respect to the Bonds as provided in the Registered Public Obligations Act of Oklahoma, Title 62 Oklahoma Statutes 2011, Section 582(13)(b), whereby books shall be maintained on behalf of the City by the Depository Trust Company, New York, New York, for the purpose of registration of transfer of the uncertificated registered public obligations with respect to the Bonds which specify the persons entitled to the

Bonds and the rights evidenced thereby shall be registered upon such books, and the Mayor and Clerk (or in their absence or incapacity, the Vice-Mayor and Deputy Clerk, respectively) are hereby authorized and directed to execute such documents and instruments as may be required to implement the foregoing system of registration.

SECTION 7. That beginning in the year 2015, a continuing annual tax sufficient to pay the interest on said Bonds when due and for the purpose of providing a sinking fund with which to pay the principal of said Bonds when due shall be and is hereby ordered levied upon all taxable property of said City, in addition to all other taxes, said sinking fund to be designated “Combined Purpose General Obligation Bonds, Series 2014B Sinking Fund”. Said tax shall be and is hereby ordered certified, levied and extended upon the tax rolls and collected by the same officers in the same manner and at the same time as the taxes for general purposes in each of said years are certified, levied, extended and collected; that all funds derived from said tax shall be placed in said sinking fund, which, together with any interest collected on same, shall be irrevocably pledged to the payment of the interest on and principal of said Bonds when and as the same fall due.

SECTION 8. A Continuing Disclosure Certificate, as a material inducement to the Purchaser(s) of the Bonds, in substantially the form of the draft thereof presented at the meeting at which this Ordinance is adopted and to be dated the date of initial delivery of the Bonds, is hereby authorized to be executed and delivered by the Mayor and Clerk (or in their absence or incapacity, the Vice-Mayor and Deputy Clerk, respectively). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default on the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. “Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

The City hereby covenants and agrees for the benefit of the Bondholders to provide annual financial information on the City which shall include financial information customarily prepared by the City and which is publicly available, and to provide, in a timely manner, notice of events specified in paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission. The annual financial information and any notices of material events will be provided by the City to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access System (“EMMA”) @ www.emma.msrb.org.

SECTION 9. The City reasonably anticipates that the aggregate amount of “qualified tax-exempt obligations”, as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986 (the “Code”), which will be issued by the City and all subordinate entities thereof during the calendar year 2014 will not exceed \$10,000,000, and hereby covenants and agrees, as a material inducement and consideration to the purchase of the Bonds by the purchaser, that neither it nor

any subordinate entity will, during calendar year 2014 issue “qualified tax-exempt obligations,” as defined in Section 265(b)(3)(B) of the Code, in an aggregate amount exceeding \$10,000,000. It is the purpose and intent of this section that the Bonds shall constitute and the Bonds are hereby designated as “qualified tax-exempt obligations” as defined in Section 265(b)(3)(B) of the Code, in order that the purchasers of the Bonds may avail themselves of the exception contained in said Section 265(b)(3)(B) with respect to interest incurred to carry tax-exempt bonds. The City hereby covenants and agrees that it will not designate as “qualified tax-exempt obligations” more than \$10,000,000 in aggregate amount of obligations issued by it or any subordinate entity during calendar year 2014.

SECTION 10. The Official Statement dated November 17, 2014, pertaining to the Bonds issued pursuant to this Ordinance is approved and the Official Statement was, as of its date and is as of this date, true and correct and does not, as of its date or as of the date hereof, contain any untrue or misleading statements of a material fact or omit to state any material fact which should be included therein because of the purpose for which the Official Statement is to be used, or which is necessary to make the statements therein not misleading in light of the circumstances under which they were made. The City authorizes the use of the Official Statement in connection with the sale of the Bonds by the purchasers thereof.

SECTION 11. That by reason of said City being without adequate public safety complex, City parks and City cultural and recreation facilities, it is deemed and hereby declared necessary for the preservation of the public health, peace and safety that this Ordinance shall become operative immediately; wherefore, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED AND APPROVED this 17th day of November, 2014.

(SEAL)

Mayor

ATTEST:

City Clerk

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

1. Please provide the official name of the entity that is self-reporting (“Self-Reporting Entity”) pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: Michael Bailey
 Individual Contact Title: Finance Director/City Clerk
 Individual Contact telephone: 918-338-4222
 Individual Contact Fax number: 918-338-4209
 Individual Contact email address: mbailey@cityofbartlesville.org

Full Legal Name of Self-Reporting Entity: **City of Bartlesville, Oklahoma**
 Mailing Address (number and street): 401 S. Johnstone Ave.
 Mailing Address (city): Bartlesville
 Mailing Address (state): Oklahoma
 Mailing Address (zip): 74003

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

| | | | |
|--|---------------------------------------|--|--|
| State | Oklahoma | Oklahoma | Oklahoma |
| Full Name of Issuing Entity | City of Bartlesville, Oklahoma | City of Bartlesville, Oklahoma | City of Bartlesville, Oklahoma |
| Full Name of Security Issue | General Obligation Bonds, Series 2010 | Combined Purpose General Obligation Bonds, Series 2012 | Combined Purpose General Obligation Bonds, Series 2014 |
| Initial Principal Amount of Bond Issuance | \$5,000,000 | \$3,000,000 | \$1,500,000 |
| Date of Offering | November 1, 2010 | November 1, 2012 | June 1, 2014 |
| Date of final Official Statement | 11012010 | 09172012 | 05192014 |
| Nine Character CUSIP number of last maturity | 069293MH8 | 069293MS4 | 069293NB0 |

3. Please describe the roll of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):
- Issuer
 - Obligor
 - Underwriter
4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's council and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Underwriting Firm: **Country Club Bank**

Primary Individual Contact at Underwriter: Lisa Roberts
9400 Mission Road, 2nd Floor
Prairie Village, Kansas 66206
(816) 751-1420

Financial Advisor: **Municipal Finance Services**

Primary Individual Contact at Financial Advisor: Rick Smith
3325 French Park Drive, Suite 8
Edmond, OK 73034
405-340-1727

Bond Counsel Firm: **The Public Finance Law Group, PLLC**

Primary Individual Contact at Bond Counsel: Nathan Ellis, Esq.
5657 N. Classen Blvd., Ste. 100
Oklahoma City, OK
405-235-3413

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Corrective Action. The City has not fully complied with its continuing disclosure obligations, as described below. In light of such failures, the City has (i) corrected all deficient filings, (ii) adopted on October 27, 2014, written disclosure policies and procedures that are intended to ensure future compliance with all continuing disclosure obligations, and (iii) conducted disclosure training. These procedures include: (a) appointment of the City's Finance Director (or any alternate or assistant as the City

Manager or the Finance Director shall appoint) to be responsible for reviewing all existing and future continuing disclosure undertakings to determine requirements thereof and for making required filings of annual financial information and operating data and filings of notices of the occurrences of listed events with the MSRB through EMMA; (b) adoption of written procedures specifying designation and training of responsible individuals and coordination with the financial advisor to the City; (c) training of responsible individuals in use of the EMMA reporting system conducted at least annually ; and (d) implementation of calendar reminders in Authority and City recordkeeping systems.

Recent Official Statement. The City has in regards to upcoming sale of its Combined Purpose General Obligation Bonds, Series 2014B to be dated 12/1/2014 provided comprehensive disclosure of its prior continuing disclosure compliance. The caption "CONTINUING DISCLOSURE" in the Official Statement represents that the City has had bonds, notes or other obligations subject to the continuing disclosure obligations of the Rule that were outstanding at any time during the previous five calendar years and said caption contains a fair and accurate description of the City's prior continuing disclosure failures and the procedures instituted by the City designed to ensure compliance with the requirements of each continuing disclosure undertaking entered into by either of them, including the Disclosure Certificate, pursuant to the Rule.

Audited Financial Statements. For the security issues listed under item 2, the noncompliance described above resulted in an incorrect statement in the Official Statements for the issues listed regarding the status of compliance with continuing disclosure requirements. In 2009 the Issuer began filing its audited financial statements through the EMMA system at www.emma.msrb.org. The 2009 Financial Statements (Fiscal Year Ended June 30, 2009) were filed with EMMA on December 29, 2010; the 2010 Financial Statements (Fiscal Year Ended June 30, 2010) were filed on July 14, 2011; the 2011 Financial Statements (Fiscal Year Ended June 30, 2011) were filed on August 27, 2012; the 2012 Financial Statements (Fiscal Year Ended June 30, 2012) were filed on December 21, 2012; the 2013 draft Financial Statements (Fiscal Year Ended June 30, 2013) were filed on December 30, 2013 and the 2013 audited Financial Statements (Fiscal Year Ended June 30, 2013) were filed on March 17, 2014. In each case, the audited financial statements should have been filed by December 27 of the respective fiscal year.

Financial Information and Operating Data. The annual financial information and operating data for fiscal year 2009 was included in the official statement posted to EMMA by the underwriter for the Series 2009 Bond offering on October 23, 2009. The annual financial information and operating data for fiscal year 2010 was included in the official statement posted to EMMA by the underwriter for the Series 2010 Bond offering on December 17, 2010. The annual financial information and operating data for fiscal years 2011 and 2012 was included in the official statement posted to EMMA by the underwriter for the Series 2012 Bond offering on September 24, 2012. The annual financial information and operating data for fiscal year 2013 was included in the official statement posted to EMMA by the underwriter for the Series 2014 Bond offering on May 28, 2014.

However, such information was not separately filed by the City under the EMMA category for annual financial information, except for the official statement for the Series 2010 Bonds filed on December 29, 2010. At the time of such postings, such official statements included the most up to date annual financial information and operating data under the headings "FINANCIAL INFORMATION" and "INDEBTEDNESS".

On behalf of City of Bartlesville, Oklahoma I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Name of Duly Authorized Signer:

Title:

DRAFT

THIS ITEM WILL BE PROVIDED AT A LATER DATE