

**NOTICE OF SPECIAL MEETING
BARTLESVILLE MUNICIPAL AUTHORITY**

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

**MONDAY, October 7, 2019
7:00 p.m.**

**CHAIRMAN DALE COPELAND
(918) 338-4282**

AGENDA

1. Call to order the Business Meeting of the Bartlesville Municipal Authority by Chairman Copeland.
2. Roll call and establishment of a quorum.
3. The Invocation will be provided by Pastor Brian Fuller, Truth Tabernacle United Pentecostal Church.
4. Citizens to be heard.
5. Discuss and take action to approve the BMA minutes of Monday, June 3, 2019.
6. Discuss and take action to approve a Resolution authorizing the Bartlesville Municipal Authority (the "Authority") to issue its Utility System Revenue Note, Taxable Series 2019 (the "Note") in the aggregate principal amount of not to exceed \$31,000,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing execution of a Supplemental Note Indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the authority is subject to the provisions of the Indenture; ratifying and confirming an Amended Lease Agreement and Operation and Maintenance Contract by and between the City of Bartlesville, Oklahoma (the "City") and the Authority pertaining to the City's water and sanitary sewer systems; authorizing and directing the distribution of information in connection with the placement of the Note and authorizing the execution of the Note and other documents relating to the transaction, including professional services agreements and an escrow agreement; and containing other provisions relating thereto. Presented by Jon Wolff, Municipal Finance Services, Inc.
7. BMA Trustee Comments and Inquiries.
8. Adjournment.

The Notice of Meeting and Agenda was received and filed in the Office of the City Clerk and posted in prominent public view at City Hall at 5 p.m. on Thursday, October 3, 2019.

Jason Muninger

Jason Muninger, City Clerk/CFO

/s/ Elaine Banes

by Elaine Banes, Deputy City Clerk

All discussion items are subject to possible action by the Bartlesville Municipal Authority.
Agenda items requiring a public hearing as required by law will be so noted.

The 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.

**MINUTES OF THE
BARTLESVILLE MUNICIPAL AUTHORITY**

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

MONDAY, June 3, 2019

7:00 p.m.

**Immediately following the
Bartlesville Education Authority Special Meeting.**

**CHAIRMAN DALE COPELAND
(918) 338-4282**

MINUTES

(Notice of Meeting and Agenda posted at 5:00 p.m. on Thursday, May 30, 2019.)

Trustees present were Chairman Dale Copeland, Vice Chairman Alan Gentges, Trustees Jim Curd, Jr. Trevor Dorsey and Paul Stuart.

City staff present were Mike Bailey, City Manager; Jason Muninger, City Clerk/CFO and Secretary to the BEA; Jess Kane, City Attorney; Terry Lauritsen, Director of Water Utilities; Lisa Beeman, Director of Community Development and Park Planning; Micah Siemers, Director of Engineering; Shellie McGill, Director of the Library; Nancy Warring, Grants Administrator; Sgt. Jim Warring; Alicia Shelton, Accountant; Kelli Williams, Chief Communications Officer; Captain Jay Hastings, Security; and Elaine Banes, Executive Assistant.

- 1. Chairman Copeland called the business meeting of the Bartlesville Municipal Authority to order at 7:06 p.m.**
- 2. Roll call was conducted and a quorum established.**
- 3. Citizens to be heard.**

There were no citizens to be heard.

- 4. Discuss and take action to approve the BMA minutes of Monday, June 4, 2018.**

Mr. Dorsey moved to approve the minutes as presented, seconded by Mr. Curd.

Ayes: Mr. Curd, Vice Chairman Gentges, Mr. Stuart, Mr. Dorsey, Chairman Copeland
Nays: None
Motion: Passed

- 5. Discuss and take action to adopt the Bartlesville Municipal Authority FY 2019-2020 Budget. Presented by Jason Muninger, City Clerk/CFO and Secretary to the Bartlesville Municipal Authority.**

Mr. Muninger reported that the Authority maintains three funds, but there are no appropriations for the BMA-General Fund in this year's budget. The total appropriations for the Authority as a whole are \$14,350,177. A majority of the budgeted amounts are for debt service and to reimburse the Water and Wastewater Operating funds for operating costs. The main sources of revenue are water and sewer service fees and investment earnings.

Vice Mayor Gentges moved to approve the FY 2019-2020 Bartlesville Municipal Authority Budget as presented, seconded by Mr. Stuart.

Ayes: Vice Chairman Gentges, Mr. Stuart, Mr. Dorsey, Mr. Curd, Chairman Copeland
Nays: None
Motion: Passed

6. BMA Trustee Comments and Inquiries.

There were no comments or inquiries.

7. There being no further business to discuss, Chairman Copeland adjourned the meeting at 7:10 p.m.

Dale W. Copeland, Chairman

Jason Muninger, City Clerk/CFO
Secretary to the BMA

RESOLUTION NO. BMA-___

A RESOLUTION AUTHORIZING THE BARTLESVILLE MUNICIPAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS UTILITY SYSTEM REVENUE NOTE, TAXABLE SERIES 2019 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$31,000,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL NOTE INDENTURE AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF THE NOTE; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF BARTLESVILLE, OKLAHOMA (THE "CITY") AND THE AUTHORITY PERTAINING TO THE CITY'S WATER AND SANITARY SEWER SYSTEMS; AUTHORIZING AND DIRECTING THE DISTRIBUTION OF INFORMATION IN CONNECTION WITH THE PLACEMENT OF THE NOTE AND AUTHORIZING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION, INCLUDING PROFESSIONAL SERVICES AGREEMENTS AND AN ESCROW AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE BARTLESVILLE MUNICIPAL AUTHORITY:

SECTION 1. INDEBTEDNESS AUTHORIZED. The Bartlesville Municipal Authority (the "Authority") is authorized to incur an indebtedness by the issuance of its Utility System Revenue Note, Taxable Series 2019 for and on behalf of the City of Bartlesville, Oklahoma (the "City"), in the aggregate principal amount of not to exceed \$31,000,000 (the "Note") for the purpose of providing funds to (i) refinance the outstanding amount of the Authority's Series 2009 Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated July 22, 2008, and issued in the original principal amount of \$40,445,000.00 (the , along with related costs; and (ii) pay certain costs associated with the issuance of the Note. The Note shall bear interest at the rate of not to exceed 2.75% per annum, and shall mature not later than October 1, 2036. The purchaser, principal amount, principal installments, interest rate, and maturity date shall be set forth in a Certificate of Determination to be executed by the Chairman or Vice-Chairman of the Authority prior to closing the Note.

SECTION 2. COMPETITIVE BIDDING WAIVED. Competitive bidding on the sale of said Note is waived and the Note is authorized to be sold to a financial institution, at a price of par. The purchaser of the Note shall be designated in the Certificate of Determination referenced in Section 1 herein.

SECTION 3. INDENTURE. The Series 2019 Supplemental Note Indenture, as it supplements and amends the General Bond Indenture dated as of May 1, 2016, as heretofore supplemented and amended, all by and between BancFirst, as Trustee (the "Trustee") and the

Authority (collectively referred to herein as the “Indenture”), authorizing the issuance of and securing the payment of the Note approved in Section 1 hereof, is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority.

SECTION 4. ORGANIZATIONAL DOCUMENT SUBJECT TO THE INDENTURE. The organizational document creating the Authority is subject to the provisions of the Indenture referenced in Section 3 hereof.

SECTION 5. LEASE AGREEMENT. The Amended Lease Agreement and Operation and Maintenance Contract dated as of May 24, 2016 (the “Lease Agreement”), whereby the City leases its water and sanitary sewer systems and the Authority agrees to operate the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

SECTION 6. EXECUTION OF NECESSARY DOCUMENTS. The Authority authorizes Municipal Finance Services, Inc., as Financial Advisor, to distribute information to interested financial institutions in connection with the proposed placement of the Note. Authority Staff are authorized to direct the Financial Advisor to negotiate directly with an interested financial institution(s). The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized and directed on behalf of the Authority to execute and deliver the Note to a financial institution as designated in the Certificate of Determination referenced in Section 1 hereof, upon receipt of the purchase price and are further authorized and directed to execute all necessary documentation and closing and delivery papers required by Bond Counsel, including professional services agreements with Municipal Finance Services, Inc., as Financial Advisor, with The Public Finance Law Group PLLC, as Bond Counsel, and with a placement agent (if determined necessary by the Authority Staff) with respect to the Note, and an Escrow Agreement by and between the Authority and BancFirst (if determined to be appropriate by Bond Counsel); to approve the disbursement of the proceeds of the Note, including any costs of issuance; to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Authority, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the Authority; and to execute, record and file any and all the necessary financing statements and security instruments, including but not limited to the documents approved hereby, and to consummate the transaction contemplated hereby.

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PASSED AND APPROVED THIS 7TH DAY OF OCTOBER, 2019.

BARTLESVILLE MUNICIPAL AUTHORITY

(SEAL)

Chairman

ATTEST:

Secretary

CERTIFICATE
OF
AUTHORITY ACTION

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

I further certify that the Trustees of the Authority held a Regular Meeting at 7:00 o'clock p.m. on October 7, 2019, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said Trustees at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Trustees present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved, and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 7TH DAY OF OCTOBER, 2019.

BARTLESVILLE MUNICIPAL AUTHORITY

(SEAL)

Secretary of Authority



t 405.235.3413 • f 405.235.2807
5657 N. CLASSEN BOULEVARD, SUITE 100 • OKLAHOMA CITY, OK 73118

AGREEMENT FOR BOND COUNSEL SERVICES

BARTLESVILLE MUNICIPAL AUTHORITY UTILITY SYSTEM REVENUE NOTE, TAXABLE SERIES 2019

THIS AGREEMENT is entered into as of October 7, 2019, by and among THE PUBLIC FINANCE LAW GROUP PLLC (“PFLG”), and the BARTLESVILLE MUNICIPAL AUTHORITY (the “Issuer”), a public trust with the City of Bartlesville, Oklahoma (the “City”) as its beneficiary, as follows:

RECITALS

WHEREAS, the Issuer desires to engage PFLG as bond counsel in connection with the refinancing of the Issuer’s Series 2008 Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board dated July 22, 2008, issued in the original principal amount of \$40,455,000.00 (the “Project”); and

WHEREAS, to finance all or a portion of the costs of the Project, the Issuer intends to issue or cause to be issued its Utility System Revenue Note, Taxable Series 2019 in the principal amount of not to exceed \$31,000,000 (the “Note”); and

WHEREAS, PFLG possesses the necessary professional capabilities and resources to provide the legal services required by Issuer as described in this Agreement.

AGREEMENTS

1. Scope of Services.

A. *Bond Counsel Services.* PFLG will render the following services as bond counsel to the Issuer:

- (1) Consultation with representatives of the Issuer and the City, including the manager of the Issuer/City (in this specific case, the City Manager of the City), City Attorney, Issuer’s Counsel, Finance Director, financing and accounting staff, financial advisors, and others, with respect to the timing, terms and legal structure of the proposed financing.
- (2) Preparation of loan, security and other authorizing documents (the “Financing Documents”).

- (3) Review of documentation with respect to any letter of credit, bond insurance and/or reserve fund surety policy provided in connection with the Note, if any.
- (4) Attendance at such meetings or hearings of the Issuer and the City and working group meetings or conference calls as the Issuer may request, and assistance to the Issuer staff in preparation of such explanations or presentations to the governing body of the Issuer and the City as they may request.
- (5) Preparation of final closing papers to be executed by the Issuer required to effect delivery of the Note and coordination of the Note closing.
- (6) Rendering of bond counsel's customary final legal opinion on the validity of the securities and, with respect to tax-exempt securities, the exemption from gross income for federal income tax purposes and from Oklahoma personal income tax of interest thereon.

PFLG and Issuer acknowledge that Issuer shall be represented by Robinett King Attorneys at Law (“Issuer’s Counsel”) for the purpose of rendering day-to-day and ongoing general counsel legal services. PFLG shall circulate documents to and coordinate its services with Issuer’s Counsel to the extent requested by Issuer or Issuer’s Counsel.

PFLG and Issuer further acknowledge that the Issuer shall be represented by Municipal Finance Services, Inc., a municipal advisor pursuant to the terms of SEC Rule 15Ba1-1 (referred to herein as an “Independent Registered Municipal Advisor” or “IRMA”). PFLG is a firm of attorneys who provide legal advice or services of a traditional legal nature to a client, and PFLG and its attorneys do not represent themselves to be a financial advisor or financial expert. Therefore, PFLG is excluded from the definition of Municipal Advisor, and PFLG does not intend to provide any advice with respect to municipal financial products or the issuance of municipal securities outside of the scope of traditional legal services and advice customarily rendered by bond counsel in public finance transactions. Notwithstanding the foregoing, in the event certain advice may be construed as beyond the scope of traditional legal services, the Issuer specifically acknowledges that PFLG may avail itself of the IRMA exemption under SEC Rule 15Ba1-1 on the basis that (i) the Issuer is represented by an Independent Registered Municipal Advisor not associated with PFLG, (ii) the Issuer hereby advises PFLG that the Issuer is represented by and will rely on the advice of its duly retained Independent Registered Municipal Advisor, and (iii) the Issuer has been advised that PFLG is not a municipal advisor and PFLG owes no federal statutory fiduciary duty to the Issuer.

In rendering opinions and performing legal services under this Agreement, PFLG shall be entitled to rely on the accuracy and completeness of information provided, certifications made by, and opinions provided by counsel to, Issuer, the Independent Registered Municipal Advisor, property owners and other parties and consultants, without independent investigation or verification.

PFLG’s services are limited to those specifically set forth above. PFLG’s services do not include representation of Issuer or any other party to the transaction in any litigation or other legal or administrative proceeding involving the Note, the Project or any other matter. PFLG’s services

also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property. PFLG will not be responsible for preparing, reviewing, or opining with respect to the Issuer's Official Statement and/or any Continuing Disclosure Undertakings (if any) for the Note, including but not limited to the accuracy, completeness or sufficiency of the Official Statement, Continuing Disclosure Undertaking, or other offering material relating to the Note. PFLG's services do not include any financial advice or analysis. PFLG will not be responsible for the services performed or acts or omissions of any other participant. Also, PFLG's services will not extend past the date of issuance of the Note and will not, for example, include services related to rebate compliance or continuing disclosure or otherwise related to the Note, proceeds of the Note, or the Project after issuance of the Note.

2. Compensation and Reimbursements.

A. *Compensation for Bond Counsel Services.* For services as bond counsel to the Issuer, PFLG shall be paid a fixed fee at the time of issuance of the Note of one-half of one percent (0.5%) of the principal amount of the Note.

B. *Expenses.* PFLG shall also be paid a fixed amount of \$2,500.00 to cover expenses and transcript production and distribution, provided, that filing, publication, recording or printing costs or similar third party costs required in connection with the Note shall be paid directly by the Issuer, but if paid by PFLG on behalf of the Issuer, shall be reimbursed to PFLG on demand.

C. *Payment.* Fees and expenses shall be payable by Issuer at the time of issuance of the Note. Payment of all fees and expenses hereunder shall be made at closing from proceeds of the Note and shall be entirely contingent upon issuance of the Note.

D. *Termination of Agreement and Legal Services.* This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by Issuer, shall, at the option of Issuer, become its property and shall be delivered to it or to any party it may designate; provided that PFLG shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by Issuer, PFLG shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the Note; provided that Issuer shall remain liable for any unpaid compensation or reimbursement due under Section 2 hereof. Upon termination, PFLG shall have no future duty of any kind to or with respect to the Note or the Issuer.

3. Nature of Engagement; Relationships With Other Parties.

The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the

historical origin and unique role of such counsel, and reliance thereon by the public finance market, PFLG's role as bond counsel under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate.

In performing its services in connection with the Note, PFLG will act as special counsel to Issuer with respect to issuance of the Note; i.e., PFLG will assist the Issuer's Counsel in representing Issuer but only with respect to validity of the Note and the Financing Documents, and the tax status of interest on the Note, in a manner not inconsistent with the role of bond counsel described above.

Issuer acknowledges that PFLG regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, PFLG has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Note financing or the Project or that may be involved with or adverse to Issuer in this or some other matter. PFLG agrees not to represent any such entity in connection with the Note financing, during the term of this Agreement, without the consent of Issuer. Given the special, limited role of bond counsel described above, Issuer acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that PFLG may have had, have or enter into, and Issuer specifically consents to any and all such relationships.

4. Limitation of Rights to Parties; Successor and Assigns.

Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Issuer and PFLG, any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Issuer and PFLG.

PFLG may not assign its obligations under this Agreement without written consent of Issuer except to a successor partnership or corporation to which all or substantially all of the assets and operations of PFLG are transferred. Issuer may assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Note (if not the Issuer). Issuer shall not otherwise assign its rights and obligations under this Agreement without written consent of PFLG. All references to PFLG and Issuer in this Agreement shall be deemed to refer to any such successor of PFLG and to any such assignee of Issuer and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

5. Counterparts.

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

6. Notices.

Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to:

PFLG:

The Public Finance Law Group PLLC
5657 N. Classen Boulevard, Suite 100
Oklahoma City, OK 73118
Attention: Allan A. Brooks, III or Nathan D. Ellis

ISSUER:

Bartlesville Municipal Authority
401 Johnstone Ave.
Bartlesville, OK 74003
Attention: City Manager

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Issuer and PFLG have executed this Agreement by their duly authorized representatives as of the date provided above.

THE PUBLIC FINANCE LAW GROUP PLLC

By: _____
Nathan D. Ellis

BARTLESVILLE MUNICIPAL AUTHORITY

By: _____
Title: Chairman
Date: October 7, 2019



mfsok.com

P: 405.340.1727

F: 405.340.3607

3933 E. Covell Road
Edmond, OK 73034P.O. Box 747
Edmond, OK 73083-0747

October 3, 2019

MUNICIPAL ADVISOR SERVICES AGREEMENT

THIS AGREEMENT is entered by and among MUNICIPAL FINANCE SERVICES, INC. (“MFSOK”) and the BARTLESVILLE MUNICIPAL AUTHORITY, an Oklahoma Public Trust (the “Client”).

The Client desires to engage MFSOK to assist in the refinancing of the Issuer’s Series 2008 Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board dated July 22, 2008, issued in the original principal amount of \$40,455,000.00 (the “Issue”) and agrees as follows:

I. Scope of Services.

The following services listed below shall be provided under this Agreement and pertain to the Client’s Utility System Revenue Note, Taxable Series 2019, (the “Issue”). The Client designates MFSOK as the Client’s independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA Exemption”).

A. Issue

1. Evaluate options or alternatives with respect to the proposed Issue.
2. Provide financial analysis to the Client to assist in understanding the benefits, costs, and risks of the proposed Issue.
3. Assist Client in preparing a plan of finance.
4. Advise Client on structure, terms and timing of the proposed Issue.
5. Prepare financing schedule.
6. Attend meetings as requested by the Client.
7. Assist the Client in preparing term sheet, offering documents or private placement memorandum as appropriate.
8. Coordinate as appropriate with Client staff, legal representatives, consultants, rating agencies, banks, lenders, placement agents, trustees, paying agents, escrow agents, bond insurers and other credit enhancers, to facilitate the plan of finance.
9. Assist Client in collecting and analyzing proposals submitted by banks.
10. Review documents related to the Issue prepared by Client’s legal representatives.
11. Coordinate closing of the Issue with Client and other parties.
12. Provide a Post-Closing Memorandum or summary of the Issue regarding purpose of the Issue, payment of debt service, post-closing requirements, and other administrative guidance.

B. Other Services

1. If requested by Client, MFSOK will provide only general guidance on investment of debt service fund deposits or project fund proceeds of Issue, such as reviewing with the Client permitted investments allowed under the transaction documents.

2. In evaluating the feasibility of potential Refunding Issues, MFSOK will normally include general assumptions about available investments commonly used in refunding escrows. However, **MFSOK does not provide bidding services for escrow investments.** If requested, MFSOK will assist the Client in identifying vendors that can provide escrow bidding services. *MFSOK will not participate in any fee-splitting arrangement with such vendors.*
3. **MFSOK does not provide advice with respect to derivatives.** If requested by Client, MFSOK will assist the Client in identifying vendors that can provide advice with respect to derivatives transactions, including but not limited to interest rate swaps, caps, and collars. *MFSOK will not participate in any fee-splitting arrangement with such vendors.*
4. **MFSOK does not provide advice with respect to arbitrage rebate calculations.** If requested by Client, MFSOK will assist the Client in identifying vendors that can provide rebate calculation services. *MFSOK will not participate in any fee-splitting arrangement with such vendors.*

MFSOK and the Client acknowledge that the Client will engage Bond Counsel and other legal service providers under separate contracts. MFSOK may rely on opinions and advice from legal representatives of the Client and will not be held responsible for any legal advice, directly or indirectly, rendered by the legal representatives.

Neither MFSOK as Municipal Advisor nor its Municipal Advisor Representatives are licensed to engage in the practice of law and, consequently, will offer no legal advice. None of the fee for services under this Agreement relates to legal services. If such legal services are necessary, it shall be the responsibility of the Client to obtain them.

MFSOK's services are limited to those specifically set forth herein.

II. Compensation and Reimbursements

- A. **Compensation.** For services as Municipal Advisor to the Client, MFSOK shall be paid at the time of closing a fee calculated as follows:

For a bank loan or private placement, 0.50% of the principal amount, which will be paid from note proceeds at the time of closing.

- B. **Expenses.** MFSOK shall also be paid a fixed amount from note proceeds of the issue in the amount of \$2,500.00 to cover expenses incurred as part of the Issue, provided that any filing, publication, recording or printing costs or similar third-party costs required in connection with the Issue shall be paid directly by the Client.
- C. **Payment and Contingency.** Payment for all fees and expenses shall be made at closing from proceeds of the Issue or from other available funds of the Client and shall be contingent upon closing of the Issue.

III. Term and Termination

- A. Term of Agreement. Unless terminated as provided herein, the terms of this Agreement shall be in place from the date approved by the Client until the closing of the Issue.
- B. Termination of Agreement and Services. This Agreement and all Municipal Advisor services to be rendered hereunder may be terminated at any time by written notice from either party, with or without cause, with at least thirty (30) days' notice. In that event, all finished and unfinished documents prepared for the Client, shall, at the option of Client, become its property and shall be delivered to it or any party it may designate, provided that MFSOK shall have no liability whatsoever for any subsequent use of such documents.

IV. Successors and Assigns

MFSOK may not assign its obligations under this Agreement without the written consent of Client except to a successor partnership or corporation to which all or substantially all of the assets and operations of MFSOK are transferred. Client may assign its rights and obligations under this Agreement to (but only to) any other public entity that incurs the loan. Client shall not otherwise assign its rights and obligations under this Agreement without written consent of MFSOK. All references to MFSOK and Client in this Agreement shall be deemed to refer to any successor of MFSOK and to any such assignee of Client and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

V. Municipal Advisor Registration and Acknowledgement

Pursuant to Municipal Securities Rulemaking Board Rule (MSRB) G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal advisory client and/or obligated person clients which include the following:

Municipal Finance Services, Inc. is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission (SEC) and the MSRB. MFSOK is also registered as an Investment Advisor with the State of Oklahoma.

Within the MSRB website at www.msrb.org, the Client may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

VI. Conflict of Interest Statement

As of the date of this agreement, MFSOK has performed a reasonable diligence to determine if there are any conflicts of interest that should be brought to the attention of the Client. During the diligence process, MFSOK has determined that no material conflict of interest has been identified.

Since the compensation arrangement included in Section II includes a component that is based on the completion of a transaction, this may be viewed as a conflict of interest regarding our ability to provide unbiased advice to enter into such transaction. This viewed conflict of interest will not impair MFSOK's ability to render unbiased and competent advice to the Client. The fee paid to MFSOK increases the cost of borrowing to the Client. The increased cost occurs from compensating MFSOK for municipal advisory services provided.

MFSOK serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another MFSOK client. For example, MFSOK serves as municipal advisor to other advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, MFSOK could potentially face a conflict of

interest arising from these competing client interests. MFSOK fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If MFSOK becomes aware of any, actual or potential conflict of interest not mentioned above during this agreement, MFSOK will promptly provide the Client a supplement written disclosure with sufficient details of the change, if any, which will allow the Client to evaluate the situation.

VII. Legal Events and Disciplinary History

A regulatory disclosure action has been made on MFSOK's Form MA and on Form MA-I for two of MFSOK's municipal advisory personnel relating to a 2017 U.S. Securities and Exchange Commission ("SEC") order. The details of which are available in Item 9; C (2), C (4), C (5) and the corresponding regulatory action DRP section on Form MA and Item 6: C (2), C (4), C (5), C (6) and the corresponding regulatory action DRP section on Form MA-I for both Rick A. Smith and Jon Wolff. In addition, the Oklahoma Department of Securities adopted the above proceedings which are identified in Item 9; D (2), D (4) and the corresponding regulatory action DRP section on Form MA.

The Client may electronically access MFSOK's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html.

There has been no change to any legal or disciplinary event that has been disclosed on MFSOK's SEC registration for MA filings since December 18, 2017.

VIII. Fiduciary Duty

MFSOK is registered as a Municipal Advisor with the SEC and MSRB. As such, MFSOK has a Fiduciary duty to the Client and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care:

- A. exercise due care in performing its municipal advisory activities;
- B. possess the degree of knowledge and expertise needed to provide the Client with informed advice;
- C. make a reasonable inquiry as to the facts that are relevant to the Client's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client; and
- D. undertake a reasonable investigation to determine that MFSOK is not forming any recommendation on materially inaccurate or incomplete information; MFSOK must have a reasonable basis for:
 - a. any advice provided to or on behalf of the Client;
 - b. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client's securities; and
 - c. any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

MFSOK must deal honestly and with the utmost good faith with the Client and act in the Client's best interests without regard to the financial or other interests of MFSOK. MFSOK will eliminate or provide full and fair disclosure (included herein) to Client about each material conflict of interest (as applicable). MFSOK will not engage in municipal advisory activities with the Client as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Client's best interests. As of the date of receipt of this attachment, MFSOK has performed a reasonable diligence to determine if there are any conflicts of interest that should be brought to the attention of the Client.

IX. Recommendations

If MFSOK makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Client and is within the scope of the engagement, MFSOK will determine, based on the information obtained through reasonable diligence of MFSOK whether a municipal securities transaction or municipal financial product is suitable for the Client. In addition, MFSOK will inform the Client of:

- A. the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- B. the basis upon which MFSOK reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Client; and
- C. whether MFSOK has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client's objectives.

If the Client elects a course of action that is independent of or contrary to the advice provided by MFSOK, MFSOK is not required on that basis to disengage from the Client.

X. Record Retention

Pursuant to SEC, MSRB and the Oklahoma Department of Securities record retention regulations, Municipal Finance Services, Inc. will maintain in writing, all communication and created documents between Municipal Finance Services, Inc. and the Client for six (6) years.

Notices

Any and all notices pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to:

MFSOK:

Municipal Finance Services, Inc.
Attn: Jon Wolff
3933 E. Covell Road
Edmond, OK 73034

CLIENT:

Bartlesville Municipal Authority
Attn: Chairman
401 S. Johnstone Avenue
Bartlesville, Oklahoma 74003

Acceptance

If there are any questions regarding the above, please do not hesitate to contact MFSOK. If the foregoing terms meet with your approval, please indicate your acceptance by executing all original copies of this letter and keeping one copy for your file.

By signing this agreement, the Client acknowledges the provisions set forth in the agreement and understands its respective rights, duties, and responsibilities. Furthermore, the Scope of Services contained herein have been reviewed and are hereby approved. In addition, the Client acknowledges receipt of the Form ADV Part 2A Brochure and Part 2B Brochure Supplement.

Client and MFSOK have entered into this Agreement by the duly authorized representatives which was approved on October 7, 2019 at a meeting duly called and held in full compliance with the Oklahoma Open Meeting Act.

MUNICIPAL FINANCE SERVICES, INC.

By: _____
Jon Wolff, Vice, President

BARTLESVILLE MUNICIPAL AUTHORITY

By: _____
Chairman