REGULAR MEETING OF THE BARTLESVILLE CITY COUNCIL
Monday, August 2, 2021
7 p.m.

Mayor Dale Copeland
918-338-4282

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

AGENDA

1. **Call to order the business meeting of the Bartlesville City Council by Mayor Copeland.**

2. **Roll call and establishment of a quorum.**

3. **Invocation by Errol Hada, Director, The Lighthouse Outreach Center.**

4. **Citizens to be heard.**

5. **City Council Announcements, Commendations and Proclamations.**
   - Letter of Commendation and Life Saving Award presented to Officer Cody Loyd by Police Chief Tracy Roles.
   - Life Saving Award presented to Officers Michael Coates and Billy McCall by Police Chief Tracy Roles.
   - Meritorious Conduct Award presented to Officer Sierra Compton by Police Chief Tracy Roles.
   - Proclamation for Bartlesville Employer Support of the Guard and Reserve Week – August 15-21, 2021. Presented by Mayor Copeland.
   - Proclamation for Run the Streets Day – August 14, 2021. Presented by Councilmember Roane.

6. **Authorities, Boards, Commissions and Committee Openings**
   - Two openings on the Ambulance Commission
   - One opening on the City Planning Commission
   - One opening on the Construction and Fire Codes Appeals Board
   - Three openings on the White Rose Cemetery Board

7. **Consent Docket**
   a. **Approval of Minutes**
      i. The Regular Meeting Minutes of July 6, 2021.

   b. **Approval of Agreements, Contracts, Leases, and Memorandums of Understanding**
      i. LSTA Terms and Conditions Agreement for federally funded grants issued by the Oklahoma Department of Libraries.
      ii. Contract between the City of Bartlesville/Bartlesville Public Library Literacy Services and the Oklahoma Department of Libraries that will provide the salary for the Literacy Assistant Position.

iii. Lease between Apple Studios and the City of Bartlesville extending the leasing of Hangar 7 beginning August 16, 2021 through approximately September 17, 2021 (subject to change due to production exigencies).
iv. Memorandum of Understanding between the City of Bartlesville and Churches United for Community CONCERN, Inc. setting out the roles and responsibilities for implementing the 2021 CDBG-Coronavirus Relief Program Grant.
v. Lease between the City of Bartlesville and R.K. Black, Inc. for a printer/coper for the Bartlesville Municipal Airport.
vi. Lease amendment between the City of Bartlesville and Washington County for additional space on the 4th floor of City Hall and changing their terms to a fiscal year.
vii. Approval of the 309-311 South Dewey Avenue HUD Hope VI Main Street Grant Redevelopment Agreement.

c. Receipt of Financials

i. Interim Financials for the twelve months ending June 30, 2021.

8. **A public hearing on and possible action to adopt an Ordinance annexing a 10-acre, more or less, tract of land legally described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma, located in the northeast corner of the Price Fields Sports Complex. Presented by Greg Collins, Assistant Director of Community Development.**

9. **Discuss and take possible action to adopt an amendment to City of Bartlesville Ordinance Chapter 19, Article XI, adding Section 423 prohibiting use of compression braking or Jake brakes within the City of Bartlesville. Presented by Deputy Police Chief Rocky Bevard.**

10. **Discuss and take possible action on Request for FAA Approval of Agreement for Transfer of Entitlements. Presented by Micah Siemers, Director of Engineering.**

11. **Discuss and take possible action to enter into a five year contract between the City of Bartlesville and Phillips 66 to continue the Phillips 66 Aviation branding for the Bartlesville Municipal Airport providing Aviation Fuels (Jet and Avgas) for resale to the public. Presented by Mike Richardson, Airport Director, Bartlesville Municipal Airport.**

12. **Presentation of a periodic report on the status of Collective Bargaining and Outstanding Grievances between the City of Bartlesville and Bartlesville Fraternal Order of Police, Lodge 117 and the City of Bartlesville and the Bartlesville Professional Firefighters, Local 200, with possible action to enter into an executive session to discuss outstanding grievances and/or ongoing collective bargaining agreement negotiations pursuant to 25 O.S., Sec. 307(B). Presented by Jess Kane, City Attorney.**

13. **New Business.**

14. **City Manager and Staff Reports.**

15. **City Council Comments and Inquiries.**

16. **Adjournment.**

The Agenda was received and filed in the Office of the City Clerk and posted in prominent public view at City Hall at 5:00 p.m. on Thursday, July 29, 2021.

Jason Muninger

Jason Muninger, CFO/City Clerk

/s/ Elaine Banes

by Elaine Banes, Deputy City Clerk

City of Bartlesville Website: https://www.cityofbartlesville.org/city-government/city-council/meeting-agendas/

Open Meetings Act Compliance (25 O.S. Sec. 301 *et seq*.): all discussion items are subject to possible action by the City Council. Official action can only be taken on items which appear on the agenda. The city council may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the City Council may refer the matter to the City Manager, Staff or City Attorney, or back to a committee or other recommending body. Under certain circumstance, items are deferred to a specific later date or stricken from the agenda entirely. 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.

Bartlesville Police Department
Chief of Police, Tracy D. Roles
615 S. Johnstone Ave. Non-Emergency 918.338.4001
Bartlesville, OK 74003 Administration 918.338.4050

Officer Cody Loyd

July 28, 2021

I have recommended a Letter of Commendation and Life Saving Award be presented to you in recognition for your work which occurred on March 6, 2020, regarding the accident overdose of Corporal Zach Moore, which occurred while he was booking in evidence at the BPD.

The following is my recommendation, and a description of the incident:

On March 6, 2020 at approx. 3:30 PM, Corporal Zach Moore initiated a traffic stop on a vehicle in the area of Adams Blvd. and the Caney River Bridge in reference to a seatbelt violation and the driver's vision being obstructed by articles hanging from the rearview mirror.

During the initial contact with the driver, Corporal Moore learned that the driver had a suspended Oklahoma driver's license. During his contact with the driver and the passenger of the vehicle, Corporal Moore could smell a strong odor of marijuana coming from inside the vehicle. Corporal Moore inquired about marijuana in the vehicle and the driver told him that there might be some in the vehicle due to his girlfriend having a medical marijuana card.

After Corporal Moore confirmed the driver's license was suspended, he had him exit the vehicle and placed him under arrest for driving while license is suspended, no insurance and obstructing driver's view. The passenger was removed from the vehicle and detained at that time, due to the odor of marijuana and the fact that the vehicle was going to be impounded.

A search of the vehicle located marijuana and a backpack which contained marijuana and digital scales. A small backpack was located that contained a crystal like substance, the passenger told officers it was "Turkey Dope", a commonly utilized phrase narcotic dealers refer to substances that appear to be narcotics but are made with substances that resemble what they are trying to mimic. A field test was conducted on the substance and it tested positive for methamphetamine. Also located in the vehicle was a syringe which contained a clear liquid substance. Corporal Moore field tested the liquid in the syringe and it field tested positive for methamphetamine. At that point the passenger was placed under arrest for possession of narcotics with intent to distribute, possession of methamphetamine, possession of synthetic narcotic with intent to distribute, and possession of drug paraphernalia.

When Corporal Moore had completed his arrest of the suspects, he returned to the police station to begin booking in the drug evidence. During the packaging of the evidence, Corporal Moore became extremely light headed and dizzy. At that point, he then collapsed to the floor, unconscious and unresponsive.

Officer Cody Loyd was present at the time Corporal Moore collapsed. He retrieved Narcan (naloxone HCl) from his patrol vehicle and administered 4 ml to Corporal Moore. Officers radioed for EMS as Corporal Moore became responsive. Once transported to the Hospital, Corporal Moore was treated with an additional Narcan (narcloxene HCl) drip. Several hours later, after being treated and observed, Corporal Moore was released from the hospital.

The initial concern was that Corporal Moore may have been exposed to Fentanyl. It was determined that Corporal Moore's skin had been exposed to the methamphetamine and it had been absorbed though his skin and he had suffered from a drug overdose.

Based on the quick actions of Officer Cody Loyd, during his exposure, Corporal Moore's life was saved.

This is a great example of leadership and proper response to a situation that could have ended with the death of Corporal Zach Moore. Your quick response and actions taken are a testimony to your dedication, not only to the Bartlesville Police Department, the officers of the BPD, and the citizens of Bartlesville.

Please accept this letter of commendation and the Life Saving Award as thanks and recognition for your actions. A copy of this letter will be placed in your personnel files in Police Administration and at Human Resources at Bartlesville City Hall.

_____
Supervisor's Signature Date

Brian E Thomas 7-28-21
Division Commander Date

_____
Department Head's Signature Date

Bartlesville Police Department
Chief of Police, Tracy D. Roles – Deputy Chief of Police, Rocky R. Bevard

615 S. Johnstone Ave.
Bartlesville, OK 74003

Non-Emergency 918.338.4001
Administration 918.338.4050

July 19, 2021

Chief Roles,

Per department policy 1015.5 (see below) the lifesaving award is recommended for Officers Michael Coates and Billy McCall. This is regarding their efforts in saving the life of a Bartlesville Citizen on July 1, 2021 who was suffering an apparent overdose episode.

Please see attached from Lt. Chris Mims for more details.

1015.5 AWARDS

Awards may be bestowed upon members of the Department and individuals from the community. These awards include:

- Award of Valor.
- Award of Merit.
- Lifesaving Award.
- Meritorious Conduct.

Criteria for each award and the selection, presentation and display of any award are determined by the Chief of Police.

Deputy Chief of Police

R. Bevard

Rocky Bevard

Bartlesville Police Department
Chief of Police, Tracy D. Roles – Deputy Chief of Police, Rocky R. Bevard

615 S. Johnstone Ave.
Bartlesville, OK 74003

Non-Emergency 918.338.4001
Administration 918.338.4050

On July 1, 2021 at approximately 1:35 pm, Officers Coates responded to 425 S.E. Seneca in reference to a welfare check on a male lying in the alleyway.

When Officer Coates arrived, he observed the male slumped over a small barrier in the alleyway. When he approached the subject, Officer Coates noticed he was holding a syringe in his hand and a bent silver spoon lying next to him. The subject was blue in the face and not breathing. Officer Coates attempted to wake him up several times but he was unresponsive.

Officer Coates initiated CPR until Officer McCall arrived on scene at which time Officer McCall administered Narcan reversing the adverse effects and ultimately saving his life until Bartlesville Ambulance Service could transport the subject to Jane Phillips Emergency Room.

Officers Coates and McCall's actions prevented a loss of life and displayed great credit not only to themselves but to the Bartlesville Police Department and the City of Bartlesville.

Respectfully
Lt. Chris Mims

Bartlesville Police Department
Chief of Police, Tracy D. Roles – Deputy Chief of Police, Rocky R. Bevard

615 S. Johnstone Ave.
Bartlesville, OK 74003

Non-Emergency 918.338.4001
Administration 918.338.4050

July 19, 2021

Chief Roles,

Per department policy 1015.4 (see below) for meritorious or commendable action, the award is recommended for the actions of Officer Sierra Compton. This is regarding her efforts in assisting a Bartlesville Citizen who was having difficulty mowing his lawn and her actions while she was on duty and in uniform on July 11, 2021.
Officer Compton's actions brought positive light to the Bartlesville Police Department and it's Officers with regard to community involvement and willingness to go above and beyond to help a Citizen in need.

Please see attached from Lt. Chris Mims for more details.

1015.4 CRITERIA

A meritorious or commendable act may include, but is not limited to:

- Superior handling of a difficult situation.
- Conspicuous bravery or outstanding performance.
- Any action or performance that is above and beyond typical duties.

Deputy Chief of Police

R. Bevard

Rocky Bevard

Bartlesville Police Department
Chief of Police, Tracy D. Roles – Deputy Chief of Police, Rocky R. Bevard

615 S. Johnstone Ave.
Bartlesville, OK 74003

Non-Emergency 918.338.4001
Administration 918.338.4050

On July 11, 2021 at approximately 1:20 pm Officer Compton was patrolling in the area of 1500 Oak Avenue when she observed an elderly man attempting to mow his lawn while holding on to his walker.

Without hesitation, Officer Compton stopped and made contact with a Jim Sutherland who was the elderly man attempting to mow his yard. As a kind and servant gesture, Officer Compton proceeded to mow the rest of his yard.

Officer Compton's selfless act rendered assistance to a citizen in need and brought great credit upon herself, the Bartlesville Police Department and the City of Bartlesville.

Respectfully,

Lieutenant Christopher Mims

Official Proclamation

BARTLESVILLE EMPLOYER SUPPORT OF THE GUARD AND RESERVE WEEK August 15-21, 2021

WHEREAS, The brave men and women who serve in the National Guard and Reserve answer our Nation's call without hesitation, leaving their families and civilian employment to support our communities at home or protect our Nation's interests overseas; and

WHEREAS, employers who support their National Guard and Reserve employees make sacrifices to enable them to serve without reservation or concern for their civilian employment;

WHEREAS, employers of National Guard and Reserve Service members play a critical role in the success of our National Defense strategy and the readiness of our Armed Forces;

WHEREAS, employers who value the military service of their National Guard and Reserve employees help sustain the all-Volunteer Force;

WHEREAS, the volunteers of the Oklahoma Committee for Employer Support of the Guard and Reserve works tirelessly to foster positive relationships between National Guard Service members and their employers through education and outreach that increases awareness of the Uniformed Services Employment and Reemployment Rights Act; and

WHEREAS, we honor and recognize supportive employers across our great state of Oklahoma for their patriotism and commitment to their National Guard and Reserve employees;

NOW, THEREFORE, I, Dale Copeland, Mayor, hereby proclaim August 15-21, 2021 as BARTLESVILLE EMPLOYER SUPPORT OF THE GUARD AND RESERVE WEEK.

IN WITNESS WHEREOF, we hereunto set our hands and caused the Official Seal of the City of Bartlesville, Oklahoma, to be affixed this 2nd day of August, in the year of our Lord two thousand and twenty-one.

_____

Dale Copeland, Mayor

Official Proclamation

Run the Streets Day-August 14th

Whereas, "Run the Streets" is a mentoring program which uses long distance running as a vehicle for change with at-risk and delinquent youth; and

Whereas, running helps build strong bones, strengthen muscles, develop cardiovascular fitness, and improves sleep quality, cognitive function, and metal health, while lowering blood pressure and reducing the risk of diabetes and many cancers; and

Whereas, youth mentorship programs increase high school graduation rates, improve behavior at school and at home, assist with developing interpersonal skills, contribute to stronger relationships with parents, teachers, and peers, and decrease the likelihood of initiation drug and alcohol use; and

Whereas, youth between the ages of 12 and 18 years of age train with adult mentors to run a half-marathon after 13 weeks of training; and

Whereas, Run the Streets provides everything the youth need, from shoes to race registration fees, to attain their goal of finishing a half marathon with Run the Streets.

Whereas, adults and youth who wish to participate in Run the Streets can find more information at RunTheStreets.org, and

Whereas, the annual Woolaroc 8K that is put on by Run the Streets has a yearly economic impact of over $100,000 for the Bartlesville community, and

Whereas, the 41st Woolaroc 8K is happening on October 23, 2021 and individuals can register at RTSWoolarock8K.com.

NOW THEREFORE I, Billie Roane, Bartlesville City Councilor do hereby officially proclaim the August 14, 2021 as "Run the Streets Day" in the City of Bartlesville and encourage all citizens to support youth mentoring and fitness programs.

IN WITNESS WHEREOF, I hereunto set my hand and cause the Official Seal of the City of Bartlesville, Oklahoma, to be affixed this 2nd day of August, in the year of our Lord two thousand and twenty-one.

_____

Councilmember Billie Roane

REGULAR MEETING OF THE BARTLESVILLE CITY COUNCIL
Tuesday, July 6, 2021
7 p.m.

Mayor Dale Copeland
918-338-4282

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

MINUTES

(The Notice of Meeting was posted December 15, 2020
and the Agenda was posted July 1, 2021 at 5:00 p.m.)

City Council present were Mayor Dale Copeland, Vice Mayor Jim Curd, Jr., Trevor Dorsey, Paul Stuart and Billie Roane.

City staff present were Mike Bailey, City Manager; Jess Kane, City Attorney; Jason Muninger, CFO/City Clerk; Terry Lauritsen, Director of Water Utilities; Micah Siemers, Director of Engineering; Laura Sander, Director of Human Resources; Kelli Williams, Chief Communications Officer; Greg Collins, Assistant Director of Community Development; Police Chief Tracy Roles;; Fire Chief David Topping; Deputy Police Chief Rocky Bevard, Security; and Elaine Banes, Executive Assistant.

1. **Mayor Copeland called the business meeting of the Bartlesville City Council to order at 7:00 p.m.**

2. **Roll call was conducted and a quorum established.**

3. **The invocation was provided by Pastor Joe Colaw, First Wesleyan Church.**

4. **Citizens to be Heard.**

   There were no citizens to be heard.

5. **City Council Announcements and Proclamations.**
   - A Certificate of Commendation for completing the 50 Yard Challenge was presented to Mr. Tony Leeson, Jr. by Councilmember Roane. Mr. Leeson took the challenge and applied it to his community for those who could not mow their yards, including the elderly, veterans, disabled and single parents.

6. **Authorities, Boards, Commissions and Committee Openings**
   - Two openings on the Ambulance Commission
   - One opening on the City Planning Commission
   - One opening on the Construction and Fire Codes Appeals Board
   - Three openings on the White Rose Cemetery Board

   Mayor Copeland read the openings and encouraged citizens to volunteer on City Committees. Applications can be found at www.cityofbartlesville.org or at City Hall in the City Manager's Office.

7. **Consent Docket**
   a. **Approval of Minutes**
      i. The Regular Meeting Minutes of June 7, 2021
      ii. The Special Meeting Minutes of June 14, 2021.

   b. **Approval of Resolutions**
      i. Amending the budget of the City of Bartlesville for Fiscal Year 2021-2022, appropriating unanticipated Federal Grant Revenue for the Restricted Revenue Fund.

   c. **Receipt of Financials**
      i. Interim Financials for the eleven months ending May 31, 2021.

   d. **Receipt of Bids**
      i. Bid No. 2020-2021-020 for the Bartlesville Community Center Auditorium Renovation.
      ii. Bid No. 2021-2022-001 for Water and Wastewater Repair Materials.
      iii. Bid No. 2021-2022-002 for Water Treatment Chemicals.
      iv. Bid No. 2021-2022-003 for Sooner Pool Expansion.

Mayor Copeland read the consent docket in its entirety. Mayor Copeland pulled Item 7.b.i. for further discussion. Vice Mayor Curd pulled Item 7.c.i. for further discussion.

Vice Mayor curd moved to approve the consent docket with the exception of Item 7.b.i. and 7.c.i., seconded by Mr. Stuart.

Aye: Ms. Roane, Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Mayor Copeland
Nay: None
Motion: Passed

Item 6.b. Approval of Resolutions

i. Amending the budget of the City of Bartlesville for Fiscal Year 2021-2022, appropriating unanticipated Federal Grant Revenue for the Restricted Revenue Fund.

Chris Wilson, Director of the Bartlesville Redevelopment Authority, reported that this this type of action has been previously approved by the City Council to be used on the Memorial Hospital building. The Hope VI Main Street Grant funds were later transferred to the development of affordable housing apartments located in the Johnstone Apartments instead of the hospital building. The Hope VI Main Street Grant funds, in the amount of $500,000, being considered at this meeting will be applied to 309-311 S. Dewey Avenue (corrected from the submitted staff report) using the same demographics as used for the Johnstone Apartments, and will produce seven units. This type of grant creates workforce housing for people making 80% of area median income. The action on the proposed resolution is the first step required of the City Council. An additional step approving the local development permit will be brought before the Council later for approval. Once these steps have been completed, the City will receive the funds. A timeline is to have the seven units completed by the end of 2022.

Mayor Copeland moved to approve Item 7.b.i., seconded by Mr. Stuart.

Aye: Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mayor Copeland
Nay: None

Motion: Passed

Item 7.c. Receipt of Financials

i. Interim Financials for the eleven months ending May 31, 2021.

At Vice Mayor Curd's request, Mr. Muninger reported that sales tax revenue is up 5.2% as of May 31 which is over the prior fiscal year in May, and is 9.3% over budgetary projections. He added that June has finished well also, and went on to explain a discrepancy in the financials as pointed out by Ms. Roane.

Vice Mayor Curd moved to approve Item 7.c.i., seconded by Mr. Dorsey.

Aye: Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mayor Copeland
Nay: None
Motion: Passed

8. Discuss and take possible action to award Bid No. 2020-2021-020 for the Bartlesville Community Center Auditorium Renovation. Presented by Mayor Copeland.

Mayor Copeland moved to award Bid No. 2020-2021-020 to Cy Young Industries, Inc., Lenexa, Kansas, in the amount of $299,706.00 as presented, seconded by Mr. Stuart.

Aye: Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mr. Dorsey, Mayor Copeland
Nay: None
Motion: Passed

9. Discuss and take possible action to award Bid No. 2021-2022-001 for Water and Wastewater Repair Materials. Presented by Mr. Stuart.

Mr. Stuart moved to award Bid No. 2021-2022-001 to vendors who submitted the low bid meeting specifications (highlighted on the attached bid tabulation) as presented, seconded by Vice Mayor Curd.

Aye: Ms. Roane, Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Mayor Copeland
Nay: None
Motion: Passed

10. Discuss and take possible action to award Bid No. 2021-2022-002 for Water Treatment Chemicals. Presented by Mr. Stuart.

Mr. Stuart moved to award Bid No. 2021-2022-002 to vendors who submitted the low bid meeting specifications (highlighted on the attached bid tabulation) as presented, seconded by Ms. Roane.

Aye: Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mayor Copeland
Nay: None
Motion: Passed

11. Discuss and take possible action to reject Bid No. 2021-2022-003 for Sooner Pool Expansion. Presented by Vice Mayor Curd.

Vice Mayor Curd moved to reject the bid for Bid No. 2021-2022-003 from Rick Scott Construction that came in $462,831 over the available budget with the understanding that staff will work with Kimley-Horn and contractors to restructure the project and rebid at a later date, seconded by Mr. Stuart.

Aye: Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mayor Copeland
Nay: None
Motion: Passed

Mr. Siemers provided an update on Price Fields at Vice Mayor Curd's request.

12. **Public hearing and possible action on an application from Thomas Janer on behalf of AbilityWorks of Oklahoma for approval of a rezoning from RS-5 (Single-Family Residential) to C-5/PUD (General Commercial/Planned Unit Development), as well as approval of a Planned Unit Development and Site Development Plan on property located at 321, 323, 327, and 329 SW Virginia Ave., leally described as Lots 16-19, Block 4, Taylors 3rd Addition, Bartlesville, Washington County, Oklahoma. Presented by Greg Collins, Assistant Director, Community Development.**

Mr. Collins reported that the applicant has requested rezoning in order to develop the property for job training, car wash, restaurant, book store and greenhouse. He provided information covering the Land Use & Zoning History, the current application proposal, the current zoning, site requirements, public participation requirements, and staff comments. The City Planning Commission on June 22, 2021 adopted staff's recommendation, and recommends approval with the following conditions: 1) the applicant must return to the City Planning Commission for Site Development Plan approval; 2) land uses permitted for this site shall be specifically limited to those proposed by the applicant, a) school, commercial or trade, when not involving any danger of fire or explosion nor of offensive noise, vibration dust, odor, glare, heat or other objectionable noise; b) restaurant, enclosed, without dancing or entertainment; c) restaurant providing service in automobiles; d) automobile laundry (car wash) including auto detailing; e) agriculture: greenhouse; f) book store; g) no outdoor storage; 3) the applicant must receive administrative approval of a Lot Combination before a building permit will be issued for any development that crosses a platted lot line; 4) the applicant must execute a Shared Parking Agreement in accordance with Section 7.42.7 of the Zoning regulations to be approved by the Community Development Director and recorded at the Washington County Clerk's office prior o issuance of a building permit for any use to be served by the shared parking area; and 5) the applicant shall apply for an obtain approval of a National Zinc Overlay District (NZOD)/soil Disturbance Activity Permit prior to building permit issuance.

Mayor Copeland opened the public hearing at 7:59 p.m. There being no one further appear to speak, the public hearing was closed at 8:00 p.m.

Mr. Dorsey moved to adopt the Ordinance amending the Land Use and Zoning Map of the City of Bartlesville, and amending the Zoning Map by changing the boundary of the Use District so that certain areas herein described and located within the Corporate Limits of the City shall be changed from RS-5 to C-5/PUD and acknowledging the approval of a Supplemental Designation Planned Unit Development (Case No. RZ-0521-0005, as presented, seconded by Ms. Roane.

Aye: Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mayor Copeland
Nay: None

Motion: Passed

13. **Discuss and take possible action to direct staff to publish notice of a petition requesting annexation of a tract of land owned by the City of Bartlesville, with an existing zoning of residential Single-Family RS-10, for a 10-acre tract of land described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma. Presented by Greg Collins, Assistant Director, Community Development.**

Mr. Collins reported that the property proposed for annexation is in the northeastern portion of Price Fields sports complex, and its current use is for four ball fields and associated lighting, structures, and parking. The property was conveyed to the City from Washington County and is zoned Residential Single-Family 10 since July 14, 1966. The property is currently outside city limits, but was zoned based on the jurisdiction of the former city-county cooperative planning commission, Metropolitan Area Planning Commission, and the provision for zoning jurisdiction with three (3) miles of a municipality.

Ms. Roane moved to direct staff to publish notice of a petition requesting annexation, and schedule a public hearing for the annexation of 10.0 acres described above, seconded by Mr. Stuart.

Aye: Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mr. Dorsey, Mayor Copeland
Nay: None
Motion: Passed

14. **Discuss and take possible action on a lease with David Valdez for the operation of paddle boat rentals at Lee Lake, including installation of privately-funded improvements for such business. Presented by Greg Collins, Assistant Director, Community Development.**

Mr. Collins reported that Mr. Valdez has expressed an interest in establishing a paddle boat rental business at Lee Lake. His proposal involves the making of non-permanent improvements at Lee Lake at his own cost, which includes the installation of a two-story floating dock which can anchor at least ten paddle boats (or similar non-motorized vessels) for rental as well as a pontoon boat from which business can be conducted. The proposed lease agreement provides for a five-year lease of successive one year terms which would be reviewed annually and extended as authorized by the Park Board. Mr. Collins gave the floor to Mr. Valdez who provided a PowerPoint of his proposal.

Discussion covered bringing activities to Lee Lake is commendable; the structure of the dock; no concessions except for bottled water; potential low water issues; the inclusion of an indemnification clause in the lease; and the required insurance for the business. Ms. Roane thanked Mr. Valdez for bringing this opportunity to Bartlesville.

Vice Mayor Curd moved to approve the five-year lease with Mr. Valdez as presented, seconded by Mr. Stuart.

Aye: Ms. Roane, Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Mayor Copeland
Nay: None
Motion: Passed

15. **Discuss and take possible action to adopt an Ordinance amending Chapter 20 of the Bartlesville Municipal Code pertaining to the Wastewater Capital Investment Fee. Presented by Jason Muninger, CFO/City Clerk.**

Mr. Muninger reported that the ordinance adopted June 7, 2021 by the City Council contained a typo that will incorrectly set the rate of the wastewater capital improvement fee at 2016's level. The proposed ordinance will provide a correction to this error.

Mr. Dorsey moved to adopt the Ordinance as presented, seconded by Mr. Stuart.

Aye: Mr. Stuart, Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mayor Copeland
Nay: None
Motion: Passed

16. **Discuss and take possible action to approve the Collective Bargaining Agreement between the City of Bartlesville, Oklahoma and the Fraternal Order of Police, Lodge 117 for Fiscal Years 2021-2023. Presented by Jess Kane, City Attorney.**

Mr. Kane reported that City staff has reached an agreement with the FOP, which will last through June 30, 2023, subject to City Council approval. Major negotiated revisions to the proposed contract are 1) a two-year contract was negotiated, subject to Oklahoma constitutional prohibitions on multi-year indebtedness; 2) the promotional process was refined to require vacancies for the rank of captain to be appointed by the Chief of Police from within the ranks of BPD, but otherwise exempt from the promotional process; 3) the grievance procedure was updated to more closely reflect common practice among peer cities; (4 longevity was increased to $750 annually for officers with 5-9 years of service, $15,00 for 10-14 years of service, $2500 for 15-19 years of service, $3,500 for 20-29 years of service and $4,500 for 30+ years of service; and 5) the pay scale was increased by 12% on ranks with the exception of corporals which was increased by 18%. Mr. Kane concluded that except for the major revisions, the contract contains largely the same provisions as the 2020-2021 and previous contracts. All members of the City staff who were involved in this contract negotiation recommend approval of it.

Vice Mayor Curd expressed his appreciation to Mr. Kane and the Fraternal Order of Police leadership and their ability to work to negotiate the agreement, particularly the two-year agreement. Mr. Kane agreed that the FOP had been very good to work with throughout the negotiation process.

Mr. Dorsey moved to adopt the Collective Bargaining Agreement between the City of Bartlesville and the Fraternal Order of Police, Lodge 117 for FY 2021-2023 as presented, seconded by Mr. Stuart.

Mayor Copeland stated that the adjustment of the pay scale allows the opportunity to attract quality officers to Bartlesville, as well as providing improved salaries to the existing officers. A brief discussion covered the available funds to cover the pay increases.

Aye: Mr. Dorsey, Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mayor Copeland
Nay: None
Motion: Passed

17. **Presentation of a periodic report on the status of Collective Bargaining and Outstanding Grievances between the City of Bartlesville and Bartlesville Fraternal**

Order of Police, Lodge 117 and the City of Bartlesville and the Bartlesville Professional Firefighters, Local 200, with possible action to enter into an executive session to discuss outstanding grievances and/or ongoing collective bargaining agreement negotiations pursuant to 25 O.S., Sec. 307(B). Presented by Jess Kane, City Attorney.

Mr. Kane reported that in an effort to keep the Bartlesville City Council informed as the status of Collective Bargaining and outstanding Grievances between the FOP and the IAFF, he will be providing an oral report to the City Council periodically at monthly meetings. If members of the City Council have specific questions that may be priviledged, an option to enter executive session has been provided.

Mr. Kane reported that at this time, after considerable negotiation meetings, there is not an Agreement with the IAFF. To-date the City has made two formal offers to the IAFF with both being rejected. This City has been advised that the IAFF voted to pursue arbitration to which the City has responded. Since the current IAFF contract has ended as of June 30, 021, it is necessary to move quickly. The most recent offer made by the City to the IAFF included pay scale and wage increases amounting to 6.5% up to 13.5% increase in the pay scale. The 13.5% increase would go to the base-rate firefighters, which is the most populous group. The increase to all pay levels is significant, amounting to approximately $526,000. Also proposed by the City is a two-year contract; longevity increases between 79% and 367%; and time and a half to be paid for up to 72 hours of family sick leave. With those three offers, the City felt a generous offer was made which has been rejected. In return for these offers, he City has asked for a few modest changes that would remove restrictions on the hiring of administrative, not union positions, such as Deputy Chief, Training Officer and potentially the Fire Marshall. At this time, the contract states these positions are to be chosen from the five most senior firemen. With the requested change, the Fire Chief and City Manager could be provided with a wider pool of applicants. Mr. Bailey reported a recent example when hiring the Training Officer stating that of the five most senior firemen, only one passed the test. He added that the one who passed was the right choice in this particular instance, although having a wider pool of applicants is always desirable. Mr. Kane added that many cities are moving away from the old model and removing this constraint from IAFF contract. Discussion covered how training materials were supplied and applied. Mr. Kane stated that the IAFF has indicated that training materials are insufficient, but even at the request of the City for additional direction in what is needed, no remedy has been provided by the IAFF. The City also offered to change the agreement so that firemen with 10 years of experience be included for a broader range of applicants, but that offer was not accepted.

Mr. Kane concluded that the City has been generous with their offer, particularly with amounts in pay scale totaling over half a million dollars. The IAFF has submitted written proposals but were not the red-lined contracts with schedules which was requested by the City. By law, and because it is the best course of action, the City remains open to negotiation.

Discussion covered that the impasse appears to be money related, but could also be regarding hiring procedures; an explanation of the pay scales and how the City's offer brings the pay scale to peer level; and how the arbitration process works.

Mr. Kane continued reporting that the FOP has filed two grievances since April 2020 to-date. One is outstanding and one has been settled. Neither were arbitrated. The IAFF has filed nine grievances since February 2020 to-date. Five are outstanding, two have been settled, and two were being arbitrated. He reported that he had received notice of a favorable ruling for the City on one of those cases being arbitrated. Mr. Bailey added that grievances range

from disciplinary issues to contract disputes. Mr. Kane added that since grievances are adversary proceedings, they need to be discussed in executive session should the Council so desire to do so.

Mr. Stuart moved to enter into Executive Session at 8:53 p.m. under 21 O.S. Sec. 307(B)(2), seconded by Vice Mayor Curd.

Aye: Vice Mayor Curd, Ms. Roane, Mr. Stuart, Mr. Dorsey, Mayor Copeland
Nay: None
Motion: Passed

The City Council re-entered the open meeting at 10:02 p.m. Mayor Copeland announced that no action was taken in the executive session.

18. New Business.

There was no new business to address.

19. City Manager and Staff Reports.

Mr. Bailey stated his appreciation and thanks to the Kiwanis Club for a successful Freedom Fest. All agreed it was a beautiful and inspiring event.

20. City Council Comments and Inquiries.

Vice Mayor Curd inquired about recycling options. Mr. Bailey reported that Mark Armen from Replenysh had forwarded a proposal to Keith Henry and him for review. It is possible that the proposal is being reviewed and may potentially come to the City Council at the August meeting if required criteria is met.

Ms. Roane stated her appreciation of Freedom Fest, as well as reporting a number of calls she received about illegal fireworks over the weekend. She voiced her concern regarding the sale of large, nearly commercial size, fireworks at the local fireworks stands. Fire Chief Topping addressed her concerns stating that sales are monitored as to the caliber of explosives that are allowed to be sold.

Mr. Dorsey congratulated Fire Chief Topping on his new title and position.

Vice Mayor Curd stated that Tower Center at Unity Square continues to be an asset to our community. He personally attended a well-attended event recently provided by local churches.

Mayor Copeland reminded citizens that due to the holiday, Monday trash routes will run tomorrow, Wednesday.

He also congratulation the Nazarene Church on their 100th Anniversary, and that he was honored to attend the celebration.

21. There being no further business to address, Mayor Copeland adjourned the meeting at 10:10 p.m.

Dale W. Copeland, Mayor

Jason Muninger, CFO/City Clerk

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

Agenda Item 7.b.i.
August 2, 2021
Prepared by Shellie McGill
Library

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Discuss and take action to approve LSTA Terms and Conditions Agreement for federally funded grants issued by the Oklahoma Department of Libraries.

Attachment: LSTA Terms and Conditions Agreement

II. STAFF COMMENTS AND ANALYSIS

Per request from the Literacy Services Division of the Oklahoma Department of Libraries, I am asking for the Council's approval and signature of this agreement. Most all of the grants the Bartlesville Public Library receives each year from the state library are funded in part by the Institute of Museum and Library Services. Each grant contract the City Council approves also includes the approval of the Terms and Conditions. Having this agreement on file will eliminate the need to approve the Terms and Conditions each time a new grant is awarded.

The attached LSTA Terms and Conditions are standard to agreements received in the past.

III. RECOMMENDED ACTION

Staff is recommending approval of the LSTA Terms and Conditions Agreement.

LSTA TERMS AND CONDITIONS AGREEMENT

BARTLESVILLE PUBLIC LIBRARY

Insert Organization Name

Participation in this grant involves an agreement to accept and adhere to the following regulations and conditions:

The sub-recipient will fulfill the terms described in the contract. In fulfilling this contract, the sub-recipient shall follow all state and local laws, rules, regulations, standards, and procedures required subject to Federal statutes, and regulations including, but not limited to these Terms and Conditions.

Nondiscrimination Statutes

The sub-recipient must have a nondiscrimination policy in place that prohibits discrimination on the basis of disability, sex, age, race, color or national origin. Sub-recipient's policies must comply with federal statutes and regulations for programs or activities funded in whole or in part by the Institute of Museum and Library Services.

Drug-free Workplace

Maintenance of a drug free workplace is the responsibility of the sub-recipient. All sub-recipients are prohibited from unlawfully manufacturing, distributing, dispensing, possessing or using a controlled substance in or on workplace facilities or property. Additionally, this applies to all individuals or entities under contract using grant funds.

Debarment and Suspension

The sub-recipient's Director certifies that to the best of his/her knowledge that neither the applicant nor any of its principals or contractors are presently excluded or disqualified or have been convicted within the preceding three years of any offenses listed in 2 C.F.R., or have been criminally or civilly charged by a government entity.

Conflict of Interest

The sub-recipient must maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of sub-awards and contracts. Employees may not participate in the selection, award, or administration of a sub-award or contract paid with Federal award funds if they have a real or apparent conflict of interest. A conflict of interest would arise when the employee, any member of their immediate family, a partner, or an organization has a financial or other interest in or a tangible personal benefit from an organization considered for a sub-award or contract.

Grant Funds Expenditures

Federal funds for the purchase of materials as part of a grant are to be used specifically for instituting new services or to expand present services as required by the project.

Indirect Costs

When acting as a pass-through entity, the State Library Administration Agency (SLAA) is required to honor a sub-recipient's federally negotiated indirect cost rate if one already exists. If no such rate exists, the SLAA must honor either a rate negotiated between the SLAA and the sub-recipient (in compliance with federal guidelines) or the minimum rate of 10 percent of the sub-recipient's modified total direct costs (MTDC). Sub-recipients may elect not to claim any indirect costs. *See 2 CFR 200.331*

Certification of Indirect Costs must be provided if sub-recipient claims a negotiated indirect cost rate. If an indirect cost rate of up to 10 percent is claimed, charges must directly relate to the project and an itemized budget must be provided.

Grant Amount Payment

The Federal share of expenditures under this grant may not exceed the amount granted unless such expenditures have been approved by the Lead Officer.

Accounting and Record Keeping

The sub-recipient will account separately for all funds expended for the project. All records and final expenditures and grant information must be kept readily available for **five** years. Accounting records shall be supported by source documentation such as canceled checks, paid bills, contracts, etc. A copy of all invoices paid shall be kept in the file. The invoices must be marked with the check number for identification.

Federal or State Monitoring

The Federal grantor agency, the Comptroller General of the U.S. or other duly authorized representative, the Governor and the State Auditor or their designees shall have the right at reasonable notice to examine the books, records and other compilations of data of the sub-recipient which pertain to the performance of the provisions and requirements of this Agreement per 45 CFR 1183.36 and Executive Order 195 of April 27, 1981.

Oklahoma Department of Libraries Monitoring

The Oklahoma Department of Libraries (ODL) may conduct on-site or off-site monitoring reviews of the project during the term of this agreement and up to ninety (90) days after it expires or is otherwise terminated. The sub-recipient shall extend its full cooperation and give full access to the project site and to relevant documentation to the State or its authorized designees for the purpose of determining, among other things:

Whether project activities are consistent with those set forth in the grant contract and the grant application;

The actual expenditure of state, local and/or private funds expended to date on the project conforms with the budget line items;

That sub-recipient is making timely progress with the project, and that its project management, financial management, control systems, and procurement requirements are fully and accurately reflected in project reports submitted to ODL;

That sub-recipient is retaining a copy of all informational materials, survey, video tape, and advertising in an organized fashion which could be retained and viewed for a five year period.

Acknowledgements

Any publication or presentation resulting from this grant must contain the following acknowledgement:

"The project is supported in whole or in part by the Institute of Museum and Library Services. The opinions expressed do not necessarily reflect the position or policy of ODL or IMLS and no official endorsement by those entities should be inferred."

The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for Federal government purposes, the copyright in any work developed as a part of this grant.

Advertisements

The sub-recipient will acknowledge, according to regulations, Federal funding in all printed materials, newspaper coverage and interviews, program notes, catalogs, annual reports and other publicity pertaining to the project. In all cases, the following phrase must be used:

"Financial assistance for this special project is made possible with Federal funds from the Institute of Museum and Library Services administered through the Oklahoma Department of Libraries."

Record Retention

The sub-recipient will retain for five years a minimum of one copy of all publications, informational materials, surveys, videotapes, films, union list, or other such materials produced as a result of this LSTA project.

Future Eligibility

In order to maintain eligibility for future grants, the sub-recipient must submit a final narrative and financial report as required by the Oklahoma Department of Libraries. The sub-recipient will retain copies of all reports for a period of five years.

Grant Close-out

Close-out of the grant does not affect regulations concerning retention of all programmatic and financial records (45 CFR 1183.42), recovery of disallowed expenditures resulting from an audit, and equipment responsibilities.

Suspension or Termination

This agreement may be suspended or terminated upon the recommendation of the ODL Lead Officer or LSTA Coordinator and the approval of the Director of the Oklahoma Department of Libraries if there is failure to comply with the terms of the contract or Terms and Conditions Agreement. Should the project be suspended or terminated, no additional ODL grants will be awarded unless specifically authorized by the ODL Director.

_____

Director, Organization

_____

Date

_____

Director, OK Department of Libraries

_____

Date

Agenda Item 7.b.ii.
August 2, 2021
Prepared by Shellie McGill
Library

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Discuss and approve a contract between the City of Bartlesville/Bartlesville Public Library Literacy Services and the Oklahoma Department of Libraries.

Attachments: Community Literacy Grant Contract No: F-21-245

II. STAFF COMMENTS AND ANALYSIS

The Bartlesville Public Library is grateful to receive this grant again this year. These grant monies pay the salary for the Literacy Assistant Position. We are pleased this year's amount is $9,600.00. The amount will fund the position for 20 hours per week at $10.10 per hour for the majority of this fiscal year.

The Literacy Assistant position is vital to the success of the department. Working with students and tutors, providing statistical information to the Oklahoma Department of Libraries, administrating the *Casas* assessment tests to students, and working with the Coordinator on all programs, events, and classes sponsored by the Literacy Department.

III. RECOMMENDED ACTION

Staff recommends City Council approval of this contract.

CONTRACT
BETWEEN THE OKLAHOMA DEPARTMENT OF LIBRARIES AND BARTLESVILLE PUBLIC LIBRARY LITERACY SERVICES

I. CONTRACTING PARTIES

The contracting parties are the Oklahoma Department of Libraries, a state agency (Department), and Bartlesville Public Library Literacy Services (Contractor), collectively known as the Parties.

II. TERM OF THE CONTRACT

This Contract shall begin on the date of execution and shall terminate on June 30, 2022.

a. In the event the Contractor fails to comply with the terms and conditions of this Contract, the Department may, upon written notice of such non-compliance to the Contractor, cancel the Contract effective upon receipt of notice. Such cancellation shall be in addition to any other rights and remedies provided for by law.

b. The Parties of this Contract understand and acknowledge any future contracts or renewals are not automatic nor implied by this Contract.

III. OBLIGATIONS OF THE CONTRACTOR

The Contractor shall render diligently and competently the services as indicated and in the manner set forth herein which shall be binding on the Parties of this Contract.

The Contractor shall:

a. Provide one-to-one or small group instruction to adults.

b. Track student and personnel hours using an ODL approved tracking system. Update information in the system on a monthly basis or as requested by the Department.

c. Maintain security measures for confidentiality of all student records by using secure computer passwords and storing all paper records in locked file cabinets when not in use.

d. Conduct student assessments and reassessments with the Comprehensive Adult Student Assessment System (CASAS).

e. Submit statistical reports as requested by the Department.

IV. OBLIGATIONS OF THE DEPARTMENT

The Department shall:

a. Process grant payment to Contractor upon receipt of notarized claim form.

b. Provide professional development for literacy directors and teachers.

c. Monitor literacy services with on-site visits and regular communication.

d. Provide technical assistance as needed.

e. Review and approve interim and final reports.

V. PROJECT FUNDING

In accordance with the terms of this Contract, the Department approves **Nine Thousand Six Hundred Dollars ($9,600)** for the provision of instructional services for literacy students.

a. Funds will be distributed in two (2) payments, or as allowed by State Finance Office, upon receipt of signed claim form. Requests for payment should be filed with the Department a minimum of fourteen working days prior to the date of expected receipt of payment. Final reports for any previous Departmental literacy grants must be satisfactorily completed and approved before new requests will be processed.

b. Contracts may be amended in the event of state budget shortfall.

c. Claim forms must be used to document travel reimbursements and salaries. Copies of completed forms must be kept on file with the Contractor.

d. Expenditures for this project must conform to the approved budget and to applicable State laws and regulations and are subject to all conditions of this Contract. Any deviation from the approved budget must be approved by the Department.

e. Grant funds may not be used for depreciation of equipment, insurance, food, medical treatment, childcare, or memberships.

f. Payments will be made via an electronic deposit within 30 days of receipt of completed and approved claim form and support documents.

g. The Grantee assures that expenditures under this contract shall be included in its next financial review.

VI. GENERAL PROVISIONS

a. Notices

Any notices to be given herein are deemed to be given when deposited with the United States Postal Service, certified or registered mail, return receipt requested, with sufficient postage prepaid, addressed as specified below. Either party may at any time designate any other address by giving written notice to the other party.

As to the Department:
Oklahoma Department of Libraries
Attn: Rebecca Barker
200 NE 18 Street
Oklahoma City, OK 73105-3205

As to the Contractor:
Bartlesville Public Library Literacy Services
600 S Johnstone Avenue
Bartlesville, OK 74003-4630

b. No Grant of Authority

Nothing herein shall be construed as conferring upon Contractor the authority to assume or incur any liability or obligation of any kind, expressed or implied, in the name of or on behalf of the Department. The Contractor agrees not to assume or incur any such liability without the prior written consent of the Department.

c. Performance Suspension

Performance may be suspended by either party for any act of God, war, riots, fire, explosion, strike, injunction, inability to obtain fuel, power, labor, or transportation, accident, national defense requirements, or any cause beyond the control of such party, which prevents the performance of such party. An alleged breach of this Contract by either party shall be grounds for immediate suspension of performance.

d. Liability

The Department shall not be liable for any injuries or damages to persons or property resulting from the acts or omissions of the Contractor, its officers, employees, agents, or trustees, in carrying out the activities of this Contract.

e. Accident or Illness

The Contractor agrees that any accident or illness during the performance of the Contract will not be the responsibility of the Department and will in no way hold the Department liable for such accident or illness.

f. Understanding of Terms

The Parties hereto have read and fully understand the terms of this Contract and agree to be bound by the same.

VII. RECORDS MAINTENANCE AND ACCESS REQUIREMENTS

The Contractor agrees to keep and maintain separate records reflecting the services performed and costs and expenses incurred in connection with its performance of the services, including accounting procedures, practices or any other items relevant to this Contract, for a period of seven (7) years from the ending date of this Contract. Upon reasonable notice, the Department, the State Auditor's Office, the State Purchasing Director, or their representatives, shall be entitled to any books, records, and other documents and items directly pertaining to charges to the Department thereunder for purpose of audit and examination, at Contractor's premises during normal business hours. The Contractor further agrees to provide appropriate access by the aforementioned parties to any subcontractor's associated records. In the event any audit, litigation, or other action involving these pertinent records is started before the end of the five (5) year period, the Contractor agrees to retain these records until all issues arising out of the action are resolved or until the end of the five (5) year period, whichever is later.

VIII. ADDITIONAL REQUIREMENT

a. It is expressly agreed that the Contractor under this contract is an independent Contractor and under no circumstances shall any owners, officers, employees or volunteers of the Contractor be considered employees of the Department or the State of Oklahoma. The Contractor is responsible for all types of claims due its volunteers, employees, or any third parties. The Contractor will indemnify and hold harmless the Department and the State of Oklahoma from and against any and all claims arising out of the Contractor's, or any of the Contractor's employees' or volunteers' performance, including but not limited to the use of automobiles or other transportation.

b. The Contractor shall not discriminate against any person because of race, color, religion, ancestry, gender, age, national origin or physical handicap.

c. In the event the Contractor does not comply with the terms of this Contract, including the timetable, budget, and objectives, the Contractor will be given written notification of such noncompliance by the Department. The Contractor may appeal for reconsideration by giving written evidence of compliance within twenty (20) days following receipt of such notification. Should noncompliance be confirmed, the Department may take possession of items purchased under this Contract for reassignment to other programs and projects.

d. Evidence of failure to comply with the above policies shall result in a hold being placed on pending payments for all future grants until compliance can be assured.

e. It is expressly agreed that any solicitation for, or receipt of, funds of any type by the Contractor is for the sole benefit of the Contractor and is not a solicitation for, or receipt of, funds for the Department.

f. In the event the Contractor purchases equipment and materials, and the program or project for which the purchases were made is abandoned, the Department reserves the right to reclaim all items purchased with grant funds.

g. The Contractor will comply with regulations under the Open Meetings Act and the Open Records Act.

IX. PROJECT TIMETABLE

a. The terms of this Contract shall be from August 1, 2021 to June 30, 2022. The contract period may be renewed at the discretion of the Department.

b. If this Contract is not signed by both parties within forty-five days of the beginning date, it shall become null and void.

X. AMENDMENTS

Any alterations, additions, or deletions to the terms of this Contract shall be in writing and executed by all Parties.

XI. ENTIRE CONTRACT

This instrument consisting of six (6) pages constitutes the entire contract between the Parties. All oral or written agreements between the Parties relating to the subject matter of this Contract have been reduced to writing and are contained herein.

XII. EXECUTION OF CONTRACT

The Contractor affirms that all information, documentation, and representations submitted in securing this Contract are true and correct to the best of their knowledge.

The Contractor certifies that neither the Contractor, nor anyone subject to the Contractor's direction or control, has paid, given, or donated, or agreed to pay, give, or donate to any officer or employee of the Department or the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this Contract.

Each signatory to this Contract declares that he/she has legal authority for obligating the entity he/she represents for the benefits and/or liabilities resulting under said contract and accepts liability for any misrepresentation of such authority.

IN WITNESS WHEREOF, the Contractor and the Department have each caused this Contract to be executed in their behalf.

SIGNATURES

Karen Kerr McGraw, Program Director
Bartlesville Public Library Literacy Services
Date

Melody A. Kellogg, Director
Oklahoma Department of Libraries
Date

Governing Authority Signature
Date

Board Chair Printed Name

FOR USE BY THE OKLAHOMA DEPARTMENT of LIBRARIES
Assurances: Fund 192 ODLMOE is encumbered for this Contract

Lead Officer approval: _____ Date _____

Deputy Director approval: _____ Date _____

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

Agenda Item 7.b.iii.
July 28, 2021
Prepared by Mike Richardson. Airport Director
Bartlesville Municipal Airport

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Apple Studios is currently leasing Hangar 7 at the Bartlesville Municipal Airport from the Operator ConocoPhillips for set production. The new lease between the City of Bartlesville and Apple Studios and take effect on or about Aug.16th, 2021until approximately Sept.17th, 2021 (subject to change due to production exigencies)

Attachments:

Apple Studios LLC Location Agreement

II. STAFF COMMENTS AND ANALYSIS

Apple Studios to continue set production in Hangar 7.

III. RECOMMENDED ACTION

Airport Manager recommends leasing Hangar 7 to Apple Studios LLC for the term specified in the agreement.

LOCATION AGREEMENT
(USA)

DATE OF AGREEMENT	Aug. 16, 2021	
PROJECT ("**Project**")	Gray Horse	
PRODUCER	Name: Apple Studios LLC	
	Address: c/o 8600 Hayden Place, Culver City, CA 90232; Attn: Studio Legal Affairs	
PROPERTY OWNER ("**Owner**")	Name: City of Bartlesville	
	Address: 401 S. Johnstone Bartlesville, OK 74003	
	Telephone/E-mail: Karen Tanner 918-338-4212 kmtanner@cityofbarlesville.org	
PROPERTY ADDRESS ("**Premises**")	Address: 407 Wiley Post Rd, Bartlesville, OK 74003	
	Areas of Access: Hangar 7	
	Map / Diagram Attached: - Yes ☐ - No ☑	
TERM ("**Term**")	On or about August 16, 2021 until approximately September 17, 2021 (subject to change due to production exigencies)	
	Prep: _____ day(s)	Shoot: _____ day(s)
	Hold: _____ day(s)	Strike: _____ day(s)
FEE(S) ("**Fee(s)**")	Total Fee: $7,000 consisting of the following (if applicable):	
	Prep: $ _____	Shoot: $ _____
	Hold: $ _____	Strike: $ _____
SPECIAL CONDITIONS		

1. ACCESS AND USE: Owner hereby grants Producer (including its employees, agents, contractors, suppliers, licensees, successors, assigns, and other parties it may authorize or designate) ("**Producer**") the right to enter and use the Premises (including interiors, exteriors, structures thereon and contents therein) for the purpose of producing the Project during the Term. Such permission includes, without limitation, the right to (a) bring and utilize thereon any necessary personnel, equipment, vehicles, materials, or sets; (b) make sound recordings and photograph (via motion picture, still, video, device or other type of photography) of, on, and/or about the Premises, either accurately, simulated, in combination with other sets and/or locations, and/or otherwise; (c) use any names, verbiage, address, trademarks, services marks, slogans, logos, signs, and identifying features as depicted in, on, about and/or associated with the Premises and other identifying features thereof; and (d) to do all things reasonably necessary to produce the Project. Owner further grants Producer the right to refer to the Premises or any part thereof by any fictitious name and to attribute any fictitious events as occurring thereon. Owner also grants Producer the right to construct duplicates and/or re-create the Premises or any portion thereof ("**Duplicates**").

2. FEE: As full and complete consideration for Producer's use of the Premises during the Term and all rights granted herein and any inconvenience suffered in connection therewith, Producer will pay to Owner the Fee following the end of the Term and the completion of Producer's use of the Premises, unless the parties agree otherwise. Producer may, at any time prior to the commencement of the Term, elect not to use the Premises by giving Owner notice of such election, in which case neither party will have any further obligation to the other. Producer will have the right to elect not to use the Premises during the Term with no further obligations to Owner hereunder or, at Producer's election, to extend the Term or return upon a later mutually determined later date, on the same terms and conditions set forth herein, for retakes, added scenes, or other purposes permitted hereunder, or because of delays in production due to an earthquake or other natural event, public health crisis, pandemic, government action, labor dispute, unavailability or failure of key talent (e.g., showrunner, executive producer,

producer, director, any other production personnel or any member of the cast) to perform for any reason (including, without limitation, death, illness, incapacity, disfigurement, failure, refusal, or neglect), or other event beyond the control of Producer.

3. REPAIRS AND DAMAGE: Following the end of the Term and the completion of Producer's use of the Premises, Producer will remove all equipment and sets from the Premises and will leave the Premises in the same order and condition as received, reasonable wear and tear excepted. Within 2 business days following the earlier of the end of the Term or the completion of Producer's use of the Premises, Owner will submit a detailed written list of any and all damages to the Premises allegedly caused by Producer ("**Claim**") and will permit Producer to inspect and assess such damage. Subject to the Insurance provision below, Producer will repair any actual and verifiable damage directly caused by Producer or make restitution for the same, provided however that Producer will not be responsible for any damages caused by or contributed to by Owner (including without limitation Owner's negligence, misconduct or breach of this Agreement) or due to a pre-existing condition of the Premises.

4. INSURANCE: During the term of this Agreement, Owner and Producer shall, at their own cost, maintain the following minimum insurance with solvent and reputable insurers:

a. PRODUCER: (i) commercial general liability insurance, including coverage for bodily injury, property damage, personal and advertising injury, products-completed operations, and contractual liability, with limits of $3,000,000 per occurrence and in the aggregate, provided that such limits may be maintained in any combination of primary and follow-form umbrella or excess insurance; (ii) automobile liability insurance covering all owned, non-owned or hired vehicles with a combined single limit of $1,000,000 for bodily injury and property damage; and (iii) if applicable, workers' compensation insurance in compliance with all statutory requirements, and employer's liability with limits of $1,000,000. Producer shall also maintain property insurance covering its property installed or located at the Premises.

b. OWNER: (i) customary liability insurance and property insurance, such as homeowner's insurance, commercial general liability insurance and/or property insurance, with reasonable limits of liability covering Owner's liability to third-parties and covering the Premises for physical damage. Owner may maintain such coverage in one or more policies of insurance.

c. Upon execution of this Agreement, each party shall provide the other party with a certificate of insurance evidencing compliance with this insurance provision. Notwithstanding the foregoing and so long as Producer is a subsidiary or affiliate of Apple Inc., Producer may self-insure all or any part of the insurance required under this Agreement, including through the maintenance of deductibles, self-insured retentions or a self-insurance program.

5. REPRESENTATIONS AND WARRANTIES: Owner represents and warrants that (a) Owner is the sole owner (or authorized agent of the owner) of the Premises; (b) Owner has the full right, power, and authority to enter into this agreement and grant Producer the rights granted herein; (c) it is not necessary for Producer to obtain the consent of or pay any amounts to any other party to effectuate the full use of the Premises permitted and/or rights granted by Owner herein; (d) the Premises are in good working condition, properly maintained in accordance with all applicable laws and regulations; and (e) Owner will take no action nor allow or permit or authorize any third party to take any action which might interfere with Producer's full use and quiet enjoyment of the Premises.

6. INDEMNITY: Producer will defend, indemnify and hold Owner harmless from third-party claims, demands, liabilities, costs and expenses for bodily injury or property damage directly caused by Producer's negligence or willful misconduct in connection with Producer's use of the Premises, except to the extent such bodily injury or property damage is due to Owner's negligence, misconduct, or any of Owner's representations and warranties hereunder, or a hidden or latent defect or other pre-existing condition of the Premises. Owner will defend, indemnify and hold Producer harmless from any third-party claims, demands, liabilities, costs and expenses arising from or in connection with Owner's negligence, misconduct, or any of Owner's representations and warranties set forth herein, or a hidden or latent defect or other pre-existing condition of the Premises, except to the extent directly caused by Producer.

7. RIGHTS: All rights of every kind and nature whatsoever in and to the Duplicates and all still and motion pictures and sound recordings made hereunder in connection with use of the Premises by Producer ("**Footage**") will be and remain the sole and exclusive property of Producer, including, without limitation, the perpetual and irrevocable right and license to use and re-use the Footage in connection with the Project or other uses as Producer will elect (including but not limited to ancillary items), and in, and in connection with, the development, production, advertising, publicizing, merchandising, distribution, exhibition, and exploitation thereof, in any manner whatsoever and at any time by all means, media, devices, processes and technology now or hereafter known or hereafter devised in perpetuity throughout the universe. Neither Owner nor any other party now or hereafter claiming an interest in the Premises and/or interest through Owner will have any right of action against Producer or any other party arising from or based upon any use or exploitation of the Footage or Duplicates, whether or not such use is or is claimed to be defamatory, untrue or censorable in nature. Owner and any other party now or hereafter claiming an interest in the Premises and/or interest through Owner hereby waives any and all rights of privacy, publicity, and other rights of a similar nature in connection with Producer's exploitation of the Footage, the Duplicates, and or the Project. Producer shall not be obligated to make any actual use of any Footage or Duplicates in the Project or otherwise.

8. REMEDIES: Owner may not terminate or rescind the permission granted to Producer in connection with the photography of the Premises, the Duplicates, or the Footage. Owner's sole remedy for a breach of this Agreement by Producer will be limited to an action at law for damages, if any, and Owner shall not have any right to enjoin, restrain, or otherwise interfere with the development, production, advertising, publicizing, merchandising, distribution, exhibition and exploitation of the Footage, the Project, the Duplicates, or any of Producer's rights hereunder.

9. CONFIDENTIALITY: Owner hereby agrees not to disclose the terms or conditions of this Agreement, including, without limitation, the amount of any fees paid to Owner by Producer, the manner or content of any filming, still photography, audio recording or other activities that are to take place in or at the Premises and/or any other confidential terms set forth in the Agreement, to any third party without Producer's prior written approval. Any publicity, advertising, or press with respect to this Agreement and the Project will be under the sole control of Producer. Therefore, Owner will not consent to or authorize any person or entity to release such information without Producer's prior written approval. Further, Owner may acquire certain confidential information regarding the Project, Producer's other audio/visual productions or projects, employees, affiliates, or other business activities during the course of Producer's use of the Premises hereunder. Owner will keep such confidential information secret and not disclose, disseminate, or distribute such information or use such information for its own account or for the account of others without Producer's prior written approval. Any violation of the provisions of this paragraph will be deemed to be a material breach of this Agreement and Producer will be entitled to all available remedies under law or in equity. Notwithstanding anything to the contrary set forth in this provision, Owner will not be in breach of this paragraph if Owner discloses any such Confidential Information solely as required by law (including pursuant to the Oklahoma Open Meeting Act, codified at 25 O.S. Section 302 et. seq. and the Oklahoma Open Records Act, codified at 51 O.S. Section 24A.1 et. seq.).

10. APPLICABLE LAW: This agreement will be governed by the laws of the State of Oklahoma without regard to the conflict of law principles thereof. The parties hereto irrevocably consent to the exclusive jurisdiction of the state and federal courts in Osage County, OK in connection with all dispute, controversy or claim between the parties arising under or relating to the agreement, and waive any objection to venue in, and any claim of inconvenient forum with respect to, those courts.

11. MISCELLANEOUS: This agreement sets forth the entire agreement of the parties and will replace and supersede all prior arrangements, either oral or written, as to the subject matter hereof. This agreement cannot be modified or canceled except by written instrument signed by both parties. This agreement may be signed in counterparts and transmitted via electronic means, and such counterparts (including digital copies thereof) taken together will constitute an original binding agreement. Owner acknowledges that Owner has not entered into this agreement in reliance upon any representation (written or oral, express or implied) of Producer not contained herein. his agreement will inure to the benefit of and be binding upon the parties' respective successors, licensees and assignees. If there is any conflict between any provision of this agreement and any present or future statute, ordinance regulation, or collective bargaining agreement, the latter will prevail; provided that the provision hereof so affected will be limited only to the minimum extent necessary and no other provision will be affected. Owner agrees that Producer may freely assign this agreement and the rights granted hereunder in connection with the

development, production, advertising, publicizing, merchandising, distribution, exhibition and exploitation of the Footage, the Project, the Duplicates, or any of Producer's rights hereunder.

12. SUBSEQUENT USE: Owner agrees to make the Premises available for use by Producer, on the same terms set forth herein, in connection with subsequent production years of the Project, provided that the fees set forth above for each subsequent production year of the Project will be increased by 5% cumulatively. The dates and times for any subsequent uses of the Premises by Producer will be determined by the parties in good faith, provided that Owner will use best efforts to make the Premises available in accordance with Producer's production schedule for the Project.

ACCEPTED AND AGREED:

OWNER SIGNATURE	DATE	PRODUCER/UPM SIGNATURE	DATE

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

Agenda Item 7.b.iv.
July 23, 2021
Prepared by Nancy Warring, Asst. City Planner
Community Development

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

- Consider Approval of a Memorandum of Understanding between the City of Bartlesville and Churches United for Community CONCERN, Inc.

II. STAFF COMMENTS AND ANALYSIS

In April 2021, the City was awarded the 2021 Community Development Block Grant – Coronavirus Relief Program Grant. The Grant provides funding for activities that address the health and economic challenges brought on by the COVID-19 pandemic. The local social service agency *Churches United for Community Concern, Inc.* will be implementing the portion of the grant that provides rent and utility assistance to low and moderate income Bartlesville citizens who have been affected by COVID-19.

The grant has strict rules on eligibility for assistance and the documentation that must be collected. To assure that the City and Concern both understand their roles and responsibilities in implementing the grant, staff has prepared a Memorandum of Understanding. The MOU sets forth the procedures that will be followed by both parties to assure that the process will flow smoothly. It has been reviewed and approved by the Concern staff and Concern Board and signed by the Concern Board president.

III. RECOMMENDED ACTION

The City Council is requested to consider and approve the attached Memorandum of Understanding at its August 2, 2021 meeting.

Memorandum of Understanding
between
The City of Bartlesville, Oklahoma
and
Churches United for Community Concern, Inc.

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into by and between the City of Bartlesville, Oklahoma (hereinafter referred to as "City") and Churches United for Community Concern, Inc. (hereinafter referred to as "Concern"), collectively referred to as the "Parties".

RECITALS

WHEREAS, the City of Bartlesville has been awarded a grant in the amount of $936,189.33 from the FY 2021 Community Development Block Grant – Coronavirus Relief (hereinafter referred to as "CDBG-CV") Program (Contract #18111 CDBG CR 20); and

WHEREAS, the CDBG-CV grant project funding period is from April 1, 2021 through March 31, 2023; and

WHEREAS, part of the CDBG-CV grant is to be used for rental assistance ($450,000) and part for utility assistance ($150,000) for low to moderate income residents of Bartlesville (hereinafter referred to as "Beneficiaries") who have been affected by the COVID-19 pandemic; and

WHEREAS, Concern has agreed to implement the rental assistance and utility assistance part of the CDBG-CV Grant; and

WHEREAS, the City and Concern want to formalize the relationship between the City and Concern by setting forth a series of mutual expectations; and

NOW THEREFORE, in consideration of the mutual covenants, promises and commitments herein, the Parties agree as follows:

1. CITY RESPONSIBILITIES

    a. The CITY shall spend up to $1,300.00 for a laptop computer that will be used by CONCERN for the intake of rent and utility assistance Beneficiaries and to track the issuance of benefits to the landlords and utility providers. CONCERN shall retain ownership of the laptop after closeout of the grant.

    b. The CITY shall spend up to $1,556.00 for a dedicated phone line at the CONCERN office that will be used strictly for providing rent and utility information and assistance as further described below. The cost includes a phone, installation, and monthly service from BTC Broadband. Such phone service will end when the rent and utility assistance has ended.

    c. The CITY shall provide up front funds to CONCERN for rent and utility payments to the landlords and utility providers of the Beneficiaries. The funds will be provided in $50,000 increments until all rent and utility assistance grant funding has been expended.

    d. The CITY shall provide Concern with blank copies of the attached ***Intake Form*** and the attached ***Landlord Information Statement***.

    e. The CITY shall publicize the availability of the funds and the procedure for applying.

    f. The CITY shall waive any late fees on the city utility bills of Beneficiaries.

g. The CITY utility billing office shall provide assistance to CONCERN in verifying landlord information and City utility account information.

h. The CITY shall provide the envelopes and shall mail the assistance checks to the landlords and utility companies.

2. CONCERN RESPONSIBILITIES

a. CONCERN shall provide rent and utility assistance to low to moderate income Bartlesville residents who have been affected by the COVID-19 pandemic. Assistance shall only include the payment of delinquent rent and utility bills dated no earlier than January 21, 2020.

b. CONCERN shall require all Beneficiaries to complete and sign the attached ***Intake Form***.

c. CONCERN shall verify landlord information through the City's utility billing office.

d. CONCERN shall verify utility account information through PSO, ONG, or the City of Bartlesville as applicable.

e. CONCERN shall request documentation of the connection to COVID-19. Acceptable COVID documentation will include pay stubs or bank statements showing loss of income; documentation from an employer showing they were furloughed or let go; documentation of business closure; and documentation of unpaid leave due to COVID illness, quarantine, or lockdown. The eligibility of any other COVID related issue will be determined on a case by case basis.

f. CONCERN shall follow HUD's low to moderate income limit standards:

Income Limits by Number of Persons Living in the Household							
1	2	3	4	5	6	7	8
$36,900	$42,150	$47,400	$52,650	$56,900	$61,100	$65,300	$69,500

g. CONCERN shall adhere to the 2020-2021 Fair Market Rents for Washington County:

FY 2020 & FY 2021 Fair Market Monthly Rent by Number of Bedrooms					
Year	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
FY 2021	$612	$639	$728	$1,017	$1,194
FY 2020	$518	$610	$696	$941	$1,110

If utility costs are included in the monthly rent, the rent plus utilities cannot exceed the Fair Market Monthly Rent.

h. CONCERN shall place the following limits on the assistance per Beneficiary:
   i. up to 3 consecutive months or 99 days of rent assistance, and
   ii. up to 3 consecutive months or 99 days of electric assistance, and
   iii. up to 3 consecutive months or 99 days of gas assistance, and
   iv. up to 3 consecutive months or 99 days of water assistance.

If a Beneficiary's delinquent bill exceeds the above amount, CONCERN shall start with the oldest bills.

i. CONCERN shall keep the funds for this program in a separate, dedicated checking account.

j. CONCERN shall make the Beneficiary's delinquent rent payments directly to the Beneficiary's landlord and shall require the Beneficiary's landlord to complete and sign the attached ***Landlord Information Statement***.

k. CONCERN shall only make utility assistance payments for delinquent electric, gas, or water, and the payment shall be made directly to either PSO, ONG, or the City of Bartlesville. The entire City utility bill is eligible, and reconnect fees are also eligible. CONCERN shall not use grant assistance funds to pay any late fees included on the City utility bill.

l. CONCERN shall keep all confidential information in a locked metal filing cabinet. Confidential records include, but are not limited to, staff personnel files, labor and civil rights complaints, and the incomes of project beneficiaries.

m. CONCERN shall use ODOC's provided, attached Excel spreadsheet, ***LMI Beneficiary by Beneficiary Tracker, Project Detail Report***, to document client information, assistance received, COVID eligibility, and intake information.

n. If a duplication of benefits is found, CONCERN shall notify the CITY, verify that the beneficiary signed the subrogation statement, and keep records of duplicative assistance identified.

o. On the 5th of each month, or a timeframe mutually agreeable to both parties, CONCERN shall provide the CITY with copies of all documentation provided by Beneficiaries, landlords, and utility providers from the previous month. If the 5th falls on a Saturday or Sunday, the documentation will be due the following Monday.

p. CONCERN shall provide the CITY with any additional documentation and information needed for a reimbursement claim for CDBG-CV funds.

q. CONCERN shall keep documentation of paper and/or copy usage for possible modification to and reimbursement from the grant.

r. Within 14 days of the end of the grant project funding period, CONCERN shall pay back to the CITY any CITY funds that have not been expended.

s. CONCERN shall follow the policies and procedures noted above or may be held financially responsible for any necessary repayment to the CITY.

t. CONCERN shall obtain insurance to cover denial of reimbursement by the CDBG Program. CONCERN shall keep documentation of coverage for possible modification to and reimbursement from the grant.

SIGNATURES

IN WITNESS WHEREOF, the City of Bartlesville and the authorized representative of Churches United for Community Concern, Inc. have executed this Understanding on this _____ day of _____, 2021, the effective date of this Understanding.

CITY OF BARTLESVILLE

By _____
(Signature)

_____
(Printed Name and Title)

CHURCHES UNITED FOR COMMUNITY CONCERN, INC.

By _____
(Signature)

_____
(Printed Name and Title)

Applicant Name _____

Address _____ Phone _____

Email Address _____ Date _____

Are you a Bartlesville resident? ◯YES ◯NO
Attach proof of identity and residency, i.e. driver's license and utility bill.

How many persons live in your household? _____

What is your total household income? (include everyone 18 yrs and older) $_____

Has your current need been caused by the COVID-19 pandemic? ◯YES ◯NO

Place a mark beside the cause(s) experienced and ATTACH PROOF.

_____ have been laid off
_____ place of employment has closed
_____ have experienced a reduction in hours of work
_____ must stay home to care for children due to closure of day care and/or school
_____ lost child or spousal support
_____ have not been able to work or missed hours due to contracting COVID-19
_____ unable to find work due to COVID-19
_____ unwilling/unable to participate in previous employment due to high risk of illness from COVID-19
_____ other (describe) _____

◯ **I am applying for Rent Assistance:**
How many bedrooms does your home have? _____ What is your current monthly rent? $_____
Do you/have you received rental payment assistance from any other source? ◯YES ◯NO
Attach rental agreement and past due notice(s).

◯ **I am applying for Utility Assistance:**
Do you/have you received utility payment assistance from any other source? ◯YES ◯NO
Attach past due bill(s).

This program is funded by a federal grant and requires the collection of certain information for reporting purposes. The information you provide is confidential.

HOUSEHOLDER AFFIDAVIT – DUPLICATION OF BENEFITS

This Affidavit must be signed by the head of household applying for financial assistance under the CDBG-CV Housing and Utility Assistance Payment Program.

Financial assistance available under this program comes from the U.S. Department of Housing and Urban Development (HUD). If fraud is committed to obtain housing or utility assistance from HUD, the applicant could be 1) required to repay all overpaid assistance received, 2) fined, and/or 3) imprisoned.

AFFIDAVIT

This Affidavit shall be considered part of the application for grant assistance through the CDBG-CV Housing and Utility Assistance Payment Program and is incorporated therein.

Read this carefully to be sure the information in it is true and complete before signing. The information affirmed by this Affidavit and included in the application is subject to verification by HUD, The Oklahoma Department of Commerce Community Development Division, the local Community Action Agency, and their respective agents.

The undersigned applicant affirms as follows:

1. I certify that the information provided herein and in the accompanying application is true and accurate;
2. I have experienced a job loss, reduction of hours, or significant reduction in income related to the COVID-19 health crisis;
3. I have not fully replaced lost income with other sources, including supplemental employment, income payments, or any other grant, subsidy, or gift;
4. I am unable to afford housing or utility payments as a result of the health crisis;
5. I have not and will not request relief for the same service(s) from any other source;
6. I am the only person living in the household who has applied for this assistance; and
7. I agree to repay any assistance determined to be duplicative.

By executing this Affidavit, Applicant acknowledges and understands that Title 18 of United States Code Section 1001 makes it a violation of federal law for a person to knowingly and willfully: (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; or (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government.

_____
Applicant's Signature

_____
(Print Applicant Name)

STATE OF OKLAHOMA)
) SS
WASHINGTON COUNTY)

This instrument was acknowledged before me this ____ day of _____, 20____.

_____
(Print Applicant Name)

Notary Stamp

_____
Notary Public Signature

CDBG-CV Rental Agreement Plan
Landlord Information Statement

A. Your tenant, _____ has applied with *Concern* for assistance with a monthly rental payment. **(No late fees will be paid.)**

B. Your tenant must have paid the **first full month of rent, (not a move-in special)**. The tenant must obtain from you one of the following documents: a legal eviction notice or a late notice indicating the payment is past due and the amount of one month's rent payment. Regardless of the document that you furnish or the amount of back monies due, you must indicate the amount of **one** month rent **without** late fees.

C. There is **Absolutely No Guarantee** that even if your tenant qualifies their rent will be paid. Once monies received are exhausted, no further payments will be made. Monies paid will be mailed directly to you in the form of a check.

D. If you receive any other federal funding related to COVID-19 you agree to repay *Concern* the amount that we paid for your tenant.

Landlord Statement

I, _____ certify that I am the landlord of the above named tenant living
Name of landlord

at _____.
Tenant Address, City, State, Zip Code

I further certify that subject tenant is in fact overdue on rent for the domicile at the address indicated above. I agree and have furnished the tenant with one of the required supporting documents depicting one month rent payment is $_____. The total rent payment overdue is $_____.

_____ _____ _____
Signature of Landlord or Agent | Landlord Name Printed | Date Signed

_____ _____
Address of Landlord or Agent | Apartment Complex Name if Applicable

_____ _____
City/State/Zip Code | Apartment Complex Mailing Address

_____
Daytime Telephone Number

_____
Email Address

Please return this form to:
Concern
333 S. Penn Avenue
Bartlesville, OK 74003
Phone: (918) 214-8945
or scan and email to *director@concerncares.com*

LMI Beneficiary by Beneficiary Tracker

Project Detail Report

CDBG-CV Contract #18111 CDBG CR 20

As of 01/05/2021

On-going COVID Assistance Details

(Note: No direct payments to clients)

Client Details				Assistance Details							COVID Eligibility Certification						Intake Information		
Purchase Order	Client Name or Initials or Identification #	Client Address	Client Zip Code	Type of Assistance:	$ Monthly Payment	Total $ Amount of Assistance Given (6 months maximum)	Assistance Paid to:	Address to Mail Assistance Payment	Date of Assistance Application	Date Assistance Paid	Client Address Within Target Service Area? Y or N	Duplication of Benefits: Were other sources of assistance were available? Y or N	Within Target Service Area? Y or N	Total Household Income: <50% or <80% MHI	CDBG LMI Eligible? < 80% MHI Y or N	Narrative - Economic Impact due to COVID	Intake Date/time	Intake Staff Name	Approving Supervisor (If applicable)
20-XXXXX	Ann Smith or A.S. or Client #1	123 Rock Lane, Olympia	98502	Rent	$ 1,000.00	$ 3,000.00	ABC Apartments	1111 Main St. Olympia, 98502	6/2/2020	6/30/2020	Y	N	Y	<50%	Y	Works in a restaurant and her hours were reduced due to COVID, they still did to-go orders, so it didn't stop entirely, but was reduced by half.	5/29/20 10:30am	Anne Shirley	Mary Smith 5/30/20

Agenda Item 7.b.v.
July 28, 2021
Prepared by Jason Muninger. CFO/City Clerk
Accounting and Finance

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

A lease between R.K. Black, Inc. and the City of Bartlesville for a printer/copier for the Bartlesville Municipal Airport.

Attachments:

Lease Agreement between R.K. Black, Inc. and the City of Bartlesville

II. STAFF COMMENTS AND ANALYSIS

The City of Bartlesville as of August 16th 2021 will be operating the Municipal Airport. Office needs are being addressed, and one of those needs is a network printer/copier. The City utilizes R.K. Black for all of its copier leases currently and receives excellent service. The cost for this lease is $152.15 per month for 60 months and the lease does contain a non-appropriation clause.

III. RECOMMENDED ACTION

City Staff recommends approval of lease with R.K. Black, Inc.

R.K. Black, Inc.

Technology Solutions That Work

Prepared for:

Bartlesville, City of

Airport

Prepared by:

Scott Sullivan

Solutions Consultant

(918) 213-4250

7/6/2021

Copyright

The report contained here in is the intellectual property of R.K. Black, Inc. and shall remain so throughout the project and after it's completion. Under the terms of the project agreement, R.K. Black, Inc. agrees to license City of Bartlesville to use this report to assist in the making of decisions related to their document technology environment.

City of Bartlesville shall not reproduce or redistribute any portion of this report without the expressed written consent of R.K. Black, Inc. Further, City of Bartlesville agrees to hold the contents of R.K. Black, Inc. proprietary report in the strictest of confidence and not to share the information with any other party.

This Proposal is valid for 30 days

RK Black Inc.
Technology Solutions That Work

7/6/2021

City of Bartlesville
601 S Johnstone Ave
Bartlesville, OK 74006-4631

Dear Mr. Richardson

I would like to thank you for the opportunity to present you with the attached proposal, which describes RK Black's unique portfolio of products and services. It is RK Black's goal to understand and anticipate City of Bartlesville needs, and respond to those needs with unparalleled service, technology, efficiency and financial prudence.

Previously, we discussed the importance of RK Black providing the following:

- A replacement option for the Ricoh IM C2000.
- A multifunctional unit that can print, copy, scan and fax.
- The ability to print or copy 11" x 17" media.

I want to confirm that the solution presented meets the financial needs of City of Bartlesville. Most importantly, I would like to continue the next step in establishing a long-term partnership between City of Bartlesville and RK Black.

If you should have any questions after our meeting, please do not hesitate to call me at (918) 213-4250. Thank you for your time and consideration.

Sincerely,

Scott Sullivan
Solutions Consultant

RK Black, Inc.
Technology Solutions That Work

CLIENT

BENEFITS AND ADVANTAGES

PROS ELITE 100
The Ultimate Differentiator

ONLY MARKET MEMBER OF PROS ELITE 100

PROs Elite 100 organizations are nationally recognized for their quality service delivery. Only one dealer in any market will earn PROs 100 elite recognition.

SKILLS & EXPERTISE

Our service results are continuously monitored and audited by the PROs proprietary Performance Improvement Virtual Operations Tool (PIVOT) to insure consistency of service delivery to our clients.

CERTIFICATIONS

We have earned certifications through demonstrated service excellence, year after year, to retain this Elite Service status. We are also certified experts in Managed Print Services to ensure digital output is managed to perfection.

ONGOING AUDITS

We are audited by PROs to ensure that we are properly staffed and trained to industry productivity standards to deliver the level of service they commit to their clients.

COMMITMENT

UPTIME

Our clients receive uptime in excess of 95% as a result of the dedication to technician training and servicing techniques audited by PROs.

REPLACEMENT PARTS

Our clients have the knowledge that their dealer has made the necessary investment in spare parts availability management techniques that insures they have the right parts on hand for 92% of all calls.

LOCAL

Our clients are doing business with a locally owned dealer, with local dispatch, local spare parts support, local warehousing and complete account management capabilities. This combined with their employees' service expertise and support tools, in the opinion of the Office Products Industry's Benchmark co-authors, is superior to manufacturer direct organizations and mega dealerships.

www.proselitedealers.com

RK. Black, Inc.
Technology Solutions That Work

WE DELIVER TECHNOLOGY SOLUTIONS THAT WORK

WHO ARE WE?

Locally owned for over 60 years. Chris Black, son of founder Bob Black, remains current President & CEO.

WHAT WE DO?

Provide solutions that work. Our fast, friendly and 100% Factory Trained Service Technicians handle your needs by guaranteed response times of 2, 4 or 6 hours (determined by your equipment).

EXCELLENCE

Recognized Annually by EVERY manufacturer we represent thru Service Excellence Awards.

OUR GUARANTEE

96% Up-Time and a Lemon Replacement Warranty

FREE LOANER

Down for 8 hrs or longer we will loan you one of ours!

QUARTERLY REVIEWS

Committed to developing a long-term partnership with your success top of mind!

RK Black Inc.
Technology Solutions That Work

Proposed Models

imageRUNNER ADVANCE DX C3725i

Actual configuration may vary from picture(s)

RK Black Inc.
Technology Solutions That Work

Current Situation

Ricoh IM C2000

Was provided by ConocoPhillips.

Proposed Solution

City of Bartlesville - Bartlesville Airport	
60 Month Lease	$152.15
Proposed B/W Service	
Proposed Color Service	
Service will be combined with City of Bartlesville Fleet	

Total Expenditure **$152.15/mo.**

Discounts included for Auto-Toner fulfillment and Automated Meter Collection. Does not include applicable taxes or any shipping charges

RK Black Inc.
Technology Solutions That Work

Financial Options

Purchase Option	Term (Months)	Amount
Lease	60	$152.15

Main Solution Components

Qty.	Item	Item Description
1	Super G3 FAX Board-AZ1	Super G3 FAX Board-AZ1
1	Inner Finisher-K1	Inner Finisher-K1
1	Cassette Feeding Unit-AP1	Cassette Feeding Unit-AP1
1	imageRUNNER ADVANCE DX C3725i	imageRUNNER ADVANCE DX C3725i

RK. Black, Inc.
Technology Solutions That Work

Connectivity

R.K. Black, Inc. Agreement – Example Services Covered

Print Troubleshooting and Maintenance

- Corrupted printer driver
- Driver installation due to computer updates
- Driver installation due to new workstation
- Due to change in printing formatting, templates
- Unable to print
- Due to print jobs stuck in queue

Network Scan Troubleshooting and Maintenance

- New Server Installation or update
- New employees or additional users
- Due to change in computer name
- Due to change in virus scan software
- Due to change in user account or password
- Due to new operating system updates

R.K. Black, Inc. Agreement Details

With Agreement

- Help Desk Support - INCLUDED
- Network Troubleshooting - INCLUDED
- Scanning Issues - INCLUDED
- Printer Driver Updates - INCLUDED

Without Agreement

- Help Desk Support - INCLUDED
- Network Troubleshooting - $150.00 per hour (min. 1 hr)
- Scanning Issues - $150.00 per hour (min. 1 hr)
- Printer Driver Updates - $150.00 per hour (min. 1 hr)

R.K. Black, Inc. Agreement Details

Copiers © Printers (P) Scanners (S)	Total Equipment Covered	Rate (Per Service Agreement)	Billed (Monthly or Quarterly)	Total Cost (Monthly or Quarterly)
C	1	$600.00	Quarterly	$150.00
Grand Total	1	$600.00	Quarterly	$150.00

*Excludes Wide Format Printers

Accept ☐ Decline ☒

R.K. Black, Inc.
Technology Solutions That Work

Thank you for your order. Your electronic signature, per the Electronic Signature Act, is considered equivalent to your signed and faxed signature, and allows you to accept and place your order. A copy of this acceptance and the attached quote or proposal document will be sent to your email address to complete your order acceptance. You are NOT required to electronically sign your order, and you may fax or scan/email your signed order to us if you prefer. If you have any questions, please feel free to contact us.

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

R.K. Black, Inc.		Bartlesville, City of	
Signature:		Signature:	
Name:	Scott Sullivan	Name:	
Title:	Solutions Consultant	Date:	
Date:	7/6/2021		

RK Black, Inc.
Technology Solutions That Work

SERVICE AGREEMENT TERMS & CONDITIONS

1. AGREEMENT: You appoint us and we accept the appointment to provide the services described in this agreement with respect to the equipment listed on the face of this agreement under "Brand / Model" (the "Equipment"). You agree to all of the terms and conditions included herein and in any invoices that we send you under this agreement, which together are a complete statement of the parties' agreement regarding the Equipment (the "Agreement"). This Agreement will become effective upon signing by the parties.

2. TERM: The term of this Agreement begins on the latter of (i) the date of Equipment delivery to you, or (ii) the date that you sign this Agreement, and continues for 1 year. Upon expiration of any term, this Agreement will automatically renew for an additional 1 year term at prevailing rates in effect at the time of each renewal unless either party provides written notice of termination to the other party at least 30 days before the end of any such term. In the event of termination, you are responsible for providing us a final meter reading so we may issue a final invoice for services. If you do not provide us a final meter reading, you agree to accept our estimate based on your typical usage over the previous six (6) months.

3. YOUR OBLIGATIONS: You agree to maintain the Equipment in a safe, suitable operating environment to include (a) clean, consistent and appropriate power; (b) temperature between 60 & 90 degrees Fahrenheit; (c) relative humidity between 50% & 80%; and (d) a reasonable amount of space for us to make any necessary inspections or repairs. You agree to maintain these conditions at your expense. You agree to (a) allow us access to the Equipment during our normal business hours, 8 am to 5 pm, Monday through Friday, excluding holidays ("Normal Business Hours"); (b) provide accurate Equipment meter readings when requested by us; and (c) to pay us for all services provided under this Agreement.

4. EQUIPMENT INSPECTION: We are responsible for inspecting each item of Equipment within 30 days of assuming service responsibility. If the inspection reveals that any item of Equipment is not in safe or normal operating condition, we will notify you within the next 30 days (or such shorter period as is necessary to avoid material risk of personal injury or property damage), and you will be responsible for bringing that item into safe and normal operating condition. If you request us to do so, we will make necessary repairs in accordance with our standard rates then in effect for such service. We will not be required to provide maintenance services for any item of Equipment that you do not maintain in a safe and normal operating condition.

5. GENERAL MAINTENANCE: If you selected the General Maintenance Plan, we will provide parts, labor, preventative maintenance & travel during our Normal Business Hours. General Maintenance does not include toner, image and fusing kits, paper or staples. If, in our reasonable discretion, the Equipment needs chronic, excessive repair ("Nonconforming Equipment"), we will notify you and we will no longer be responsible for service under this Agreement.

6. TOTALCARE COVERAGE: If you selected the TotalCare Plan, you will receive the General Maintenance services plus a reasonable supply of toner (based on your typical monthly copy volume & manufacturer's projected toner yield). You are responsible for purchasing your own paper and staples. Upon request, we will ship you toner in quantities consistent with your actual use. All toner remains our property until used in the Equipment. If we determine in our reasonable discretion that you have requested an excessive amount of toner, we reserve the right to reduce the amount to be shipped or to charge you for the excess toner, in which case you agree to pay us for the excess toner at our normal retail price. Upon termination of this Agreement, you agree to return unused toner or to pay us for it at our normal retail price.

7. CONNECTIVITY & LINE FILTER: If you selected the Annual Connectivity Option, we will provide 1 year of Connectivity Support beyond the initial installation. Annual Connectivity Support includes installation and configuration of workstations or servers for print / scan / fax software, reinstallation, troubleshooting of compatibility issues, and end user training. Annual Connectivity Support does not include any network transport media issues, server or workstation operating system configuration or modification, custom integration with any third party software or hardware, or support for any workstation not physically located at your site. If you purchased a Line Filter, your rights and remedies relating to your use of the Line Filter are provided by the manufacturer's warranty.

8. CHARGES: We will invoice you in advance on a periodic basis for the amount listed on the face of this Agreement under "Base Price", and in arrears for any Black & White or Color images that exceed the number of images included, if any, in the Base Price, at the "per image" rate specified under "Overage". For purposes of this Agreement, 2-sided images and/or images on paper larger than legal size (8.5" X 14") will count as two images. Charges for maintenance services not covered by this Agreement will be invoiced at our standard parts and labor rates in effect at the time the service is performed. Images made on loaner equipment will be charged at the rate listed on the face of this Agreement. Sales Tax: You agree to pay sales tax on service billings as required by Oklahoma law. Freight: You agree to pay freight for supplies provided to you under a TotalCare Plan at a rate equal to 3% of the sum of the Base and Overage amounts invoiced. If you have any delinquent invoices for products or services that we sell or lease to you, we may refuse to provide service to you and/or terminate this Agreement and any other Agreement that we have with you. You agree to pay us all costs of collection, including reasonable attorneys' fees. Delinquent invoices will bear interest at the rate of 1.5% per month until paid.

9. SERVICE EXCLUSIONS: We may decline to provide maintenance services with respect to the following: (a) any service for Equipment not identified on the face of this Agreement under "Brand / Model" or not subsequently approved by us in writing for coverage under this Agreement; (b) any Nonconforming Equipment; (c) any maintenance or repair service to be provided by you; (d) Equipment that you have moved to a location deemed unreasonable by us; (e) any service or downtime caused by (i) a condition that was triggered or subject to a product recall, (ii) a design, specification or instruction provided by you or your representative, (iii) your failure to fulfill your responsibilities under this Agreement, (iv) the failure of anyone other than us to comply with our written instructions or recommendations, (v) your combining the Equipment with any incompatible item, (vi) any alteration or improper storage, handling, use or maintenance of any part of the Equipment by anyone other than us, (vii) design or manufacturing defects in any items, (viii) anything external to the Equipment not being serviced by us including, without limitation, a building or structural deficiency, power surge, fluctuation or failure, and air conditioning failure, or (ix) anything beyond our reasonable control other than service necessitated by normal Equipment usage.

10. DEFAULT & REMEDIES: If you default in the performance of any of your obligations under this Agreement or any other agreement with us, we may (a) enforce this Agreement, (b) recover damages for the default, and (c) exercise any other remedy available to us. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorneys' fees and actual costs and expenses of collection. You agree that any delay or failure by us to enforce our rights under this Agreement does not prevent us from enforcing our rights at a later time. No remedy set out in this paragraph is intended to be exclusive. Each remedy will be cumulative but only to the extent necessary for us to recover from you what you owe us.

11. DISCLAIMER OF WARRANTY / LIMITATION OF LIABILITY: WE EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, RELATED TO THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR RELATED TO THE LINE FILTER, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT.

12. THIRD PARTY SOFTWARE: Despite any other terms and conditions of the Agreement, you agree that this Agreement does not provide service for any third party software that may be delivered with or installed on the Equipment. You agree that your use of such third party software is governed by the terms and conditions of the end user license agreement for the third party software.

13. ASSIGNMENT: You will not assign any of your rights or obligations under this Agreement without our prior written consent, which will not be unreasonably withheld. We may assign our rights and obligations under this Agreement without obtaining your permission. This Agreement will inure to the benefit of and be binding upon the successors and permitted assigns of the parties. This Agreement, together with any invoices we send you, constitutes the entire Agreement of the parties with respect to its subject matter. This Agreement supersedes any and all other agreements, either oral or written, between the parties regarding the subject matter of this Agreement.

14. CONSENT TO LAW, JURISDICTION & VENUE: This Agreement, including amendments and related invoices, will be governed by and construed in accordance with Oklahoma law, without giving effect to any principle of conflicts of law or choice of law. The parties agree that the venue for any legal action arising out of this Agreement will be in Oklahoma County, Oklahoma. If any provision of this Agreement is declared unenforceable, the other provisions herein will remain in effect.

15. DISPUTE RESOLUTION: Either party will have the right to cause any dispute between us to be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or the rules of such other recognized third party as the parties may agree. The decision to refer a dispute to arbitration will not preclude either of us from seeking appropriate injunctive relief in court if necessary to prevent irreparable harm. The prevailing party in any legal or arbitration proceeding will be entitled to recover all of its costs and expenses, including reasonable attorneys' fees.

Client Initials:		Date:	/ /

Canon

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

MUNICIPAL LEASE AGREEMENT

Fair Market Value
CFS-1043 (01/17)

CFS' AGREEMENT NUMBER

CUSTOMER (FULL LEGAL NAME)	DBA		PHONE
Bartlesville, City of		("Customer")	918-336-6405

BILLING ADDRESS	CITY	COUNTY	STATE	ZIP
401 S. Johnstone Ave.	Bartlesville	Washington	OK	74003

EQUIPMENT ADDRESS	CITY	COUNTY	STATE	ZIP
401 Wiley Post Rd	Bartlesville	Washington	OK	74003

EQUIPMENT INFORMATION			NUMBER AND AMOUNT OF PAYMENTS	
Quantity	Serial Number	Make/Model/Description	Number of Payments	Total Payment *
1		Canon iR ADV DX C3725i	60	152.15
				* Plus Applicable Taxes

TERM	PAYMENT FREQUENCY	END OF TERM PURCHASE OPTION
60 (in months)	☑ Monthly ☐ Quarterly ☐ Other:	Fair Market Value

THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER EXCEPT AS DESCRIBED IN THE FISCAL FUNDING PROVISION HEREIN. CUSTOMER REPRESENTS THAT ALL ACTION REQUIRED TO AUTHORIZE THE EXECUTION OF THIS AGREEMENT ON BEHALF OF CUSTOMER BY THE FOLLOWING SIGNATORIES HAS BEEN TAKEN. THE UNDERSIGNED HAS READ, UNDERSTANDS AND HEREBY AGREES TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT.

ACCEPTED	AUTHORIZED CUSTOMER SIGNATURE	
CANON FINANCIAL SERVICES, INC.	By: X	Title:
By:	Printed Name:	Email Address:
Title:	By: X	Title:
Date:	Printed Name:	Email Address:

ACCEPTANCE CERTIFICATE

To: Canon Financial Services, Inc. ("CFS")

Customer certifies that (a) the Equipment referred to in this 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 Customer, and (d) the Equipment is irrevocably accepted by Customer for all purposes under this Agreement. Accordingly, Customer hereby authorizes billing under this Agreement.

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

TERMS AND CONDITIONS

1. AGREEMENT: CFS leases to Customer, a Municipality [state name or political subdivision or agency] of Oklahoma [State name], with its chief executive office at 401 S. Johnstone Ave. 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 such equipment ("Equipment"), upon the terms and conditions set forth in this Municipal Lease Agreement ("Agreement").

2. TERM OF AGREEMENT: This Agreement shall be effective on the date the Equipment is delivered to Customer ("Commencement Date"), provided Customer executes CFS' form of acceptance ("Acceptance Certificate") or otherwise accepts the Equipment as specified herein. The term of this Agreement begins on the date accepted by CFS or any later date that CFS designates ("Agreement Date"), and shall consist of the payment periods specified above and any renewal periods. After acceptance of the Equipment, Customer shall have no right to revoke such acceptance or cancel this Agreement during the term hereof, except as set forth herein. The term of this Agreement shall end, unless sooner terminated by CFS after an event of default or under the Fiscal Funding provision, 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. Except as provided herein, Customer has no right to return the Equipment to CFS.

3. 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" above, and (b) such other amounts permitted hereunder as invoiced by CFS ("Payments"). Such Payments are comprised of the principal and interest thereon. The amount of each Payment is based on the supplier's best estimate of the cost of the Equipment. Customer authorizes CFS to adjust the Payment herein by up to fifteen percent (15%) if the actual total cost of the Equipment, including any sales or use tax, is more or less than originally estimated. Customer's obligation to pay all amounts due under this Agreement and all other obligations hereunder shall be absolute and unconditional and is not subject to any abatements, set-off, defense or counterclaim for any reason whatsoever.

4. 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 the 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.

5. 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. CUSTOMER ACKNOWLEDGES THAT 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 manufacturer, dealer, or supplier is separate from, and is not a part of, this Agreement and shall be for the benefit of CFS, Customer and CFS' successors or assignees, if any. So long as Customer is not in breach or default of this Agreement, CFS assigns to Customer any warranties (including those agreed to between Customer and the manufacturer, dealer, or supplier) which CFS may have with respect to any item of Equipment; provided that the scope and limitations of any such warranty shall be solely as set out in any agreement between Customer and such manufacturer, dealer, or supplier or as otherwise specified in warranty materials from such manufacturer, dealer, or supplier and shall not include any implied warranties arising solely from CFS' acquisition of the Equipment. CUSTOMER ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY DEALER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS AGREEMENT OR ANY SCHEDULE, OR TO MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT ON BEHALF OF CFS.

6. FISCAL FUNDING: Customer warrants that it has funds available to pay Payments payable pursuant to this Agreement 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 this Agreement. The officer of 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 this 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 this Agreement, and thereupon, Customer shall be released of its obligation 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 under this Agreement. In the event Customer returns the Equipment pursuant to the terms of this 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.

7. ACCEPTANCE; DELIVERY: Customer's execution of the Acceptance Certificate, or other confirmation of Customer's 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 such Equipment, delivered to CFS written notice of non-acceptance, specifying the reasons therefor and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted such 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, notwithstanding anything to the contrary contained in any such purchase order. Customer agrees to waive any right of specific performance of this Agreement and shall 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 shall keep the Equipment free and clear of all claims and liens other than those in favor of CFS. Customer's legal name (as set forth in its constituent documents filed with the appropriate governmental office or agency) is as set forth herein. The chief executive office address of Customer is as set forth herein. Customer shall provide CFS with written notice at least thirty (30) days prior to any change of its legal name or chief executive office address, and shall execute and deliver to CFS such documents as required or appropriate.

9. WARRANTY OF BUSINESS PURPOSE; USE; PERSONAL PROPERTY; FINANCING STATEMENTS: Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes. Customer shall comply with all laws and regulations relating to the use and maintenance of the Equipment. Customer shall put the Equipment only to the use contemplated by the manufacturer. 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. 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 (including forms containing a broader description of the Equipment than the description set forth herein), (b) continuation statements in respect thereof, and (c) amendments thereto, and Customer irrevocably waives any right to notice thereof.

10. INDEMNITY: Customer shall reimburse CFS for and 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 shall 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 to 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 Equipment, the Payments, 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 such fees, assessments, taxes, expenses or charges as required hereunder, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, expenses and charges, and Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administrative 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 such personal property taxes as invoiced by CFS and pay CFS a processing fee not to exceed $50 per year per item of Equipment that is subject to such tax. Customer agrees that CFS has not, and will not, render tax advice to Customer, and that 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 A DOCUMENTATION FEE, IN THE AMOUNT OF $85, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS.

13. INSURANCE: Customer, at its sole cost and expense, shall, during the term hereof including all renewals and extensions, 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," which shall be the sum of: (i) all amounts then owed by Customer to CFS under this Agreement; *plus* (ii) the present value of all remaining Payments for the full term of this Agreement; *plus* (iii) the Fair Market Value of the Equipment (as defined herein); *plus* (iv) any applicable taxes, expenses, charges and fees. For purposes of determining present value under this Agreement, Payments shall be discounted at three percent (3%) per year. Customer hereby appoints CFS as Customer's attorney-in-fact solely to make claim for, receive payment of, and execute and endorse all documents, checks, or drafts for any loss or damage to Equipment under any such insurance policy. If within ten (10) days after CFS' request, Customer fails to deliver satisfactory evidence of such insurance to CFS, then CFS shall have the right, but not the obligation, to obtain insurance covering CFS' interests in the Equipment, and add the costs of acquiring and maintaining such insurance, and an administrative fee, to the amounts due from Customer under this Agreement. CFS and any of its affiliates may make a profit on the foregoing.

14. LOSS; DAMAGE: Customer assumes and shall bear the entire risk of loss, theft of, 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 Equipment, Customer shall immediately repair such damage at Customer's expense. If any 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 (and such equipment will become "Equipment" and be subject to the terms of this Agreement), or (b) pay CFS the Remaining Lease Balance. Upon CFS' receipt of the Remaining Lease Balance, CFS shall transfer the applicable Equipment to Customer "AS-IS, WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate with respect to such Equipment.

15. DEFAULT: Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) 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) Customer or any guarantor of Customer's obligations hereunder ("Guarantor") ceases doing business as a going concern; (c) Customer or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors; (d) a petition or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of their property; (f) any statement, representation or warranty made by Customer or any Guarantor to CFS is incorrect in any material respect; or (g) 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 require Customer to immediately pay all Payments hereunder (whether or not then due) and other amounts due 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 enter upon the premises wherever the Equipment may be found, to retake possession of any or all of the Equipment and (i) retain such Equipment and all Payments and other sums paid hereunder, or (ii) 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 or process 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. If the Equipment is not available for sale, Customer shall be liable for the Remaining Lease Balance and any other amounts due under this Agreement. If the proceeds of the sale of the Equipment are not sufficient to pay the balance of any Payments owed by Customer during its then-current appropriation period, CFS may take any other remedy available at law or in equity to require Customer to pay such Payments and perform any of its other obligations under this Agreement. 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 that CFS may have shall not constitute a waiver of any obligation with respect to which Customer is in default.

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 due date, Customer shall pay CFS, upon demand, an amount equal to the greater of ten percent (10%) of each such delayed Payment or twenty-five dollars ($25) for each billing period or portion of a billing period such Payment is delayed, in each case to the extent permitted by applicable law. The amounts specified above shall be paid as liquidated damages and as compensation for CFS' 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 hereunder or in enforcing any of the terms of this Agreement, including, without limitation, reasonable fees and expenses of attorneys and 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 EQUIPMENT WITHOUT PRIOR WRITTEN CONSENT OF CFS. CFS may pledge or transfer this Agreement. Customer agrees that if CFS transfers this Agreement, the assignee will have the same rights and benefits that CFS has now and will not have to perform any of CFS' obligations, which CFS will continue to perform. Customer agrees that the rights of the assignee will not be subject to any claims, defenses, or set-offs that Customer may have against CFS. If Customer is given notice of any such transfer, Customer agrees, if so directed therein, to pay directly to the assignee all or any part of the amounts payable hereunder.

19. RENEWAL; RETURN: This Agreement shall automatically renew on a month–to-month basis at the same Payment amount and frequency unless Customer sends written notice to CFS, at least sixty (60) days' before the end of the scheduled term or any renewal term that Customer either (i) shall exercise the Purchase Option in accordance with the terms hereof and at the end of such term exercises such Purchase Option, or (ii) does not want to renew this Agreement, and at the end of such term returns the Equipment as provided below. Unless this Agreement automatically renews or Customer purchases the Equipment as provided herein, Customer shall, at the termination of this Agreement, or upon termination of the lease of any item of Equipment as described in the Fiscal Funding provision hereof, 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. CFS may charge Customer a return fee equal to the greater of one Payment or $250 for the processing of returned Equipment. If for any reason Customer shall fail to return the Equipment to CFS as provided herein, Customer shall pay to CFS upon demand one billing period's Payment for each billing period or portion thereof that such return is delayed. Customer shall reimburse CFS for any costs incurred by CFS to place the Equipment in good operating condition.

20. PURCHASE OPTION: (A) END OF TERM PURCHASE OPTION. To exercise this option, Customer shall give CFS sixty (60) days' prior irrevocable written notice 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' prior 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' retail price at the time Customer notifies CFS of its intent to purchase the Equipment. 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 its affiliates have an obligation to erase or overwrite Data upon Customer's return of the Equipment to CFS. Customer is solely responsible for: (A) its compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (B) all decisions related to erasing or overwriting Data. Without limiting the foregoing, if applicable, Customer should, (i) enable the Hard Disk Drive (HDD) data erase functionality that is a standard feature on certain Equipment and/or (ii) prior to return or other disposition of the Equipment, utilize the 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 (for Equipment not containing data erase functionality as a standard feature), or (c) a replacement hard drive (in which case Customer should properly destroy the replaced hard drive). Customer shall indemnify CFS, its 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. The terms of this section shall solely govern as to Data, notwithstanding that any provisions of this Agreement or any separate confidentiality or data security or other agreement now or hereafter entered into between Customer and CFS applies, or could be construed to apply to Data.

22. MAXIMUM INTEREST; RECHARACTERIZED AGREEMENT: No Payment is intended to exceed the maximum amount of interest 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.

23. 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 ("UCC 2A") AND THAT CFS IS ENTITLED TO ALL BENEFITS, PRIVILEGES, AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE. CUSTOMER WAIVES ITS RIGHTS AS A LESSEE UNDER UCC 2A SECTIONS 508-522.

24. 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.

25. AUTHORITY AND AUTHORIZATION: Customer represents and agrees that (a) Customer is a state or a political subdivision or agency of a state; (b) that entering into and performance of the Agreement is authorized under Customer's state laws and Constitution and does not violate or contradict any judgment, law, order, or regulation, or cause any default under any agreement to which Customer is party; and (c) Customer has complied with any bidding requirements and, where necessary, has properly presented this Agreement for approval and adoption as a valid obligation on Customer's part. Upon request, Customer agrees to provide CFS with an opinion of counsel as to clauses (a) through (c) above, an incumbency certificate, and other documents that CFS may request, with all such documents being in a form satisfactory to CFS.

26. 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 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 IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

27. GOVERNMENT USE: Customer agrees that the use of the Equipment is essential for Customer's proper, efficient and economic operation, Customer will be the only entity to use the Equipment during the term of this Agreement and Customer will use the Equipment only for Customer's governmental purposes. Upon request, Customer agrees to provide CFS with an essential use letter in a form satisfactory to CFS as to the preceding sentence.

28. MISCELLANEOUS: 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 (3) 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. 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 that 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, and corrections to Customer's legal name; 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. 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.

Agenda Item 7.b.vi.
July 28, 2021
Prepared by Jason Muninger. CFO/City Clerk
Accounting and Finance

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

A lease amendment between The City of Bartlesville and Washington County for additional space and changing the terms to a fiscal year.

Attachments:

Lease Agreement between City of Bartlesville and Washington County for a portion of the 4th floor of City Hall

Redline of previous Lease changing square footage and terms of prior agreement.

II. STAFF COMMENTS AND ANALYSIS

The City of Bartlesville on January 4th entered into a lease with the Washington County for lease of the office space on the 4th floor of City Hall to house the Election Board. The Election Board showed interest in leasing an additional office adjacent to their currently leased space as well as wanting to move the terms to match Their (and our) Fiscal year. The additional office adds 180 square feet at $6 a foot for an annual increase of $1,080.

III. RECOMMENDED ACTION

City Staff recommends approval of lease with the Washington County.

Lease Agreement

Amendment 1

This "Lease Agreement" was made and entered into January 4, 2021, by and between the City of Bartlesville, hereinafter referred to as "Lessor", and Washington County, hereinafter referred to as "Lessee".

WITNESSETH: Whereas Lessor is the owner of the building located at 401 S. Johnstone Ave, Bartlesville, Oklahoma, and desires to lease to Lessee a portion of the 4th floor of said building "Premises" and Lessee desires to lease said Premises and the Parties hereby agree to the following terms:

1. **Term**: Occupancy originally run from January 1, 2021 through December 31, 2021, new term will be August 1, 2021 through June 30, 2022.
2. **Renewal**: This lease shall automatically renew at the end of each fiscal year, unless either party gives the other sixty (60) days' notice, in writing, prior to the renewal, that they are cancelling the lease effective at the end of the current term.
3. **Rental:** The portion of the building leased to Lessee was 3,767 sf, and now will be 3,947 as indicated in the attached map, in the City office building. The annual price per square foot is $6.00. Accordingly, the annual price is $23,682.00, payable monthly.
4. **Personal Property**: Lessor includes in this lease all furniture currently present, which at the conclusion of the lease shall be returned to Lessor in the same condition in which it was received by the Lessee, reasonable wear and tear accepted.
5. **Maintenance:** Lessee agrees to keep and maintain the property so leased to it in as good condition as the same are turned over to Lessee, reasonable wear and tear accepted.

6. **Utilities and Cleaning**: Lessor shall be responsible for furnishing electric, heating and air conditioning, and cleaning the common areas of the 4th Floor. Lessor will not provide phone service, internet service, or parking. Lessee will be responsible for cleaning the Premises.
7. **Leasehold Improvements:** Lessee may make leasehold improvements to the Premises with prior permission of the Lessor. All improvements shall become the property of the Lessor at lease termination unless otherwise agreed in advance. Lessor agrees to paint the walls of the Premises once to the color of the Lessee's choosing.
8. **Purpose of the Lease:** This lease is for the purpose of Lessee operating the Washington County Election Board. The purpose of the lease and the use of the property shall not be changed without the prior written permission of Lessor.
9. **Time of Essence:** It is agreed that time is of the essence of this Lease Agreement and should Lessee default in the payment of the rent herein provided, Lessor shall have the option to terminate said Lease after giving Ten (10) business days' notice to cure the default. Further, Lessor shall have the right to collect any unpaid rent required by this lease.

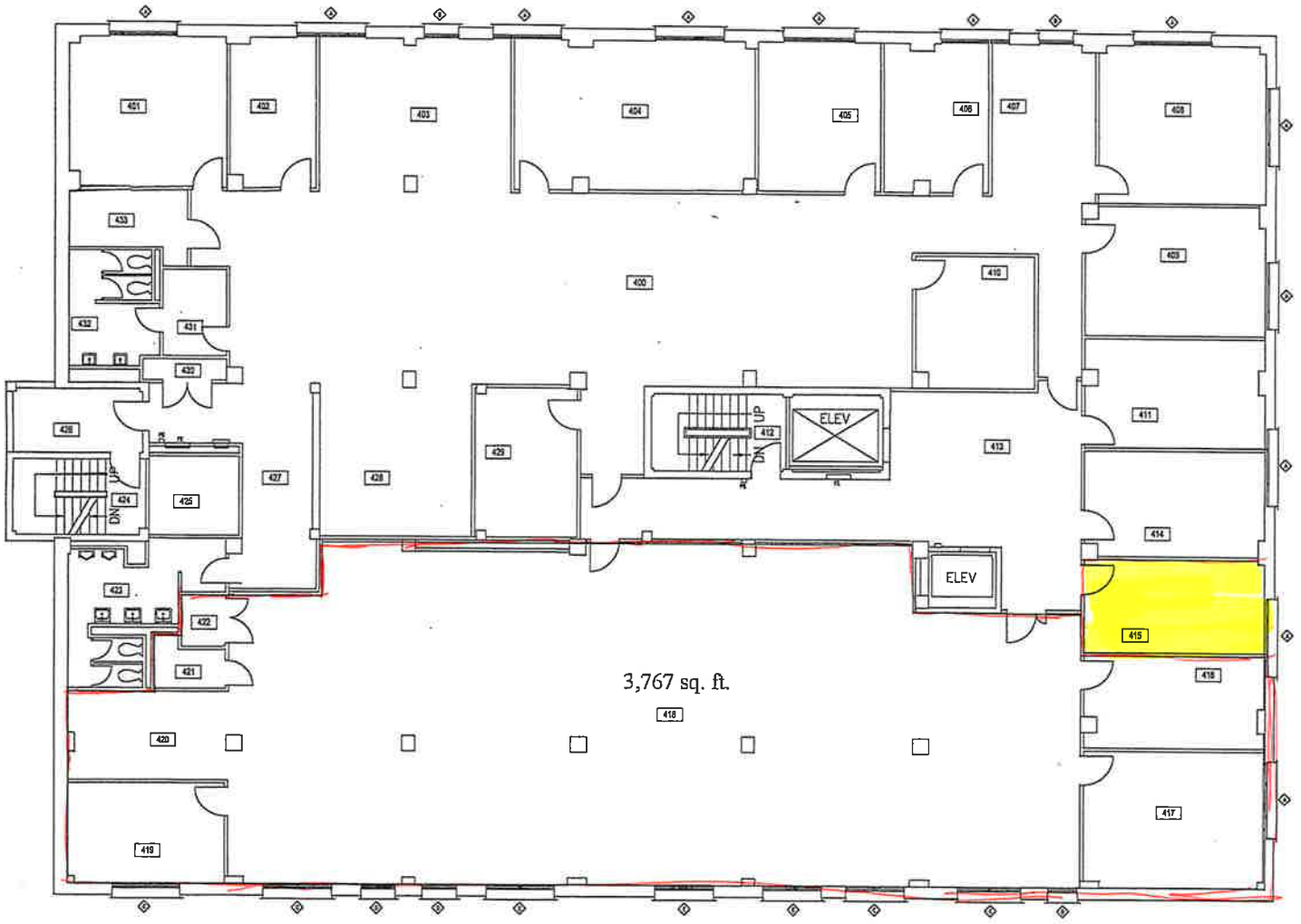
Approved by the Parties hereto the day and year first above written.

Lessor
City of Bartlesville

_____
City Manager

Lessee
Washington County

_____
Chairman



1 4th FLOOR PLAN
3/16"=1'-0"

NORTH

DRAWN BY: EVR	REVISIONS
CHECKED BY: DJK	
ISSUED: 4/28/10	

4th Floor Plan

KELEHER ARCHITECTS
DAN KELEHER, JR., PLLC, AIA
1065 N.E. WASHINGTON BLVD. BARTLESVILLE, OK 74006 918-333-8855

A Renovation for
City of Bartlesville Administration Offices
401 S. Johnstone, Bartlesville, Oklahoma

A-4
SHEET NUMBER

Lease Agreement

Amendment 1

This "Lease Agreement" was made and entered into January 4, 2021, by and between the City of Bartlesville, hereinafter referred to as "Lessor", and Washington County, hereinafter referred to as "Lessee".

WITNESSETH: Whereas Lessor is the owner of the building located at 401 S. Johnstone Ave, Bartlesville, Oklahoma, and desires to lease to Lessee a portion of the 4th floor of said building "Premises" and Lessee desires to lease said Premises and the Parties hereby agree to the following terms:

1. **Term**: Occupancy originally run from January 1, 2021 through December 31, 2021, new term will be August 1, 2021 through June 30, 2022.
2. **Renewal**: This lease shall automatically renew at the end of each fiscal year, unless either party gives the other sixty (60) days' notice, in writing, prior to the renewal, that they are cancelling the lease effective at the end of the current term.
3. **Rental:** The portion of the building leased to Lessee was 3,767 sf, and now will be 3,947 as indicated in the attached map, in the City office building. The annual price per square foot is $6.00. Accordingly, the annual price is $23,682.00, payable monthly,
4. **Personal Property**: Lessor includes in this lease all furniture currently present, which at the conclusion of the lease shall be returned to Lessor in the same condition in which it was received by the Lessee, reasonable wear and tear accepted.
5. **Maintenance:** Lessee agrees to keep and maintain the property so leased to it in as good condition as the same are turned over to Lessee, reasonable wear and tear accepted.

Deleted: shall

Deleted: .

Deleted: is

Deleted: 2

Deleted: 0

Deleted: $1,883.50 in advance

6. **Utilities and Cleaning**: Lessor shall be responsible for furnishing electric, heating and air conditioning, and cleaning the common areas of the 4th Floor. Lessor will not provide phone service, internet service, or parking. Lessee will be responsible for cleaning the Premises.
7. **Leasehold Improvements:** Lessee may make leasehold improvements to the Premises with prior permission of the Lessor. All improvements shall become the property of the Lessor at lease termination unless otherwise agreed in advance. Lessor agrees to paint the walls of the Premises once to the color of the Lessee's choosing.
8. **Purpose of the Lease:** This lease is for the purpose of Lessee operating the Washington County Election Board. The purpose of the lease and the use of the property shall not be changed without the prior written permission of Lessor.
9. **Time of Essence:** It is agreed that time is of the essence of this Lease Agreement and should Lessee default in the payment of the rent herein provided, Lessor shall have the option to terminate said Lease after giving Ten (10) business days' notice to cure the default. Further, Lessor shall have the right to collect any unpaid rent required by this lease.

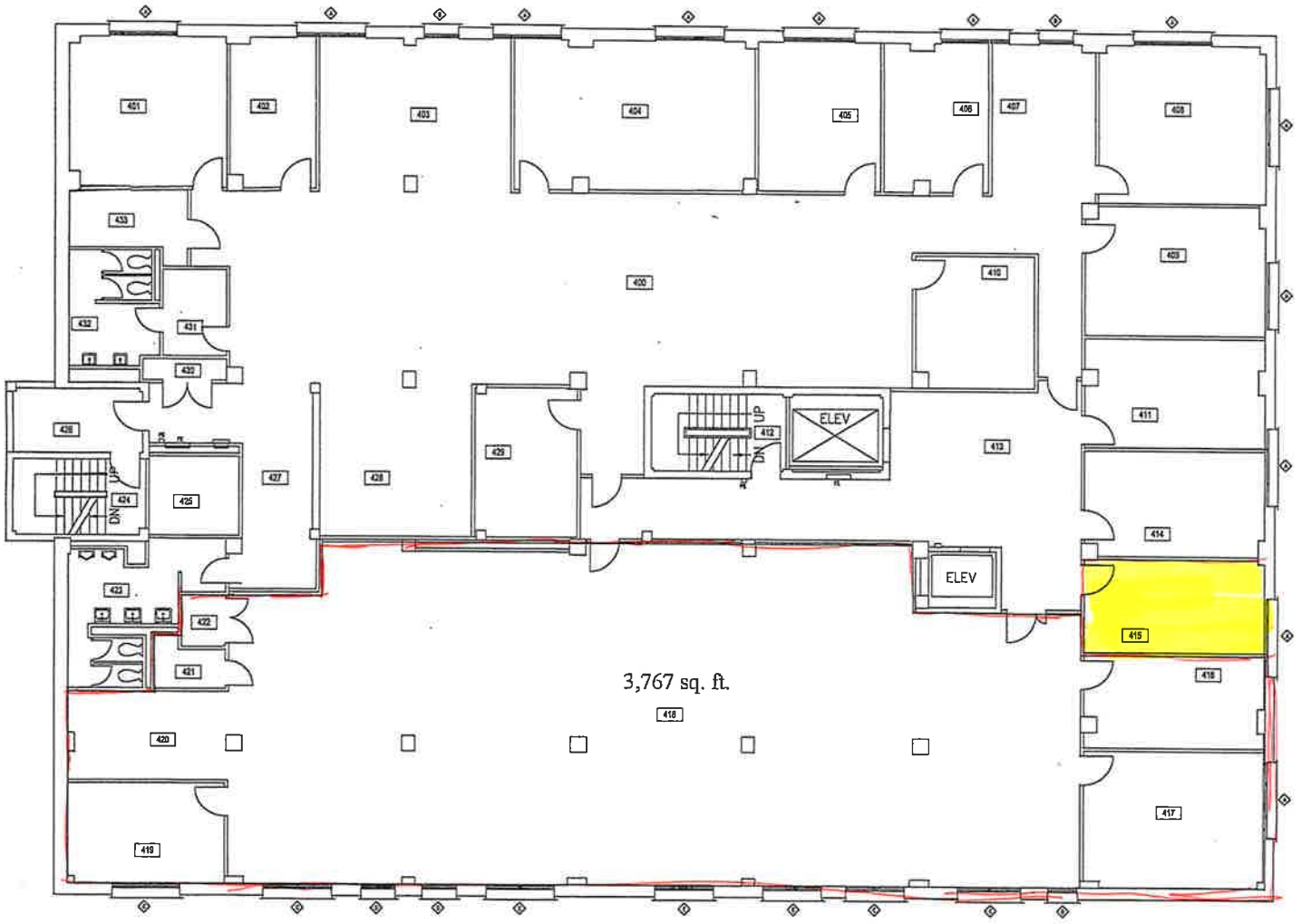
Approved by the Parties hereto the day and year first above written.

Lessor
City of Bartlesville

_____
City Manager

Lessee
Washington County

_____
Chairman



1 4th FLOOR PLAN
3/16"=1'-0"

NORTH

DRAWN BY: EVR	REVISIONS
CHECKED BY: DJK	
ISSUED: 4/28/10	

4th Floor Plan

KELEHER ARCHITECTS
DAN KELEHER, JR., PLLC, AIA
1065 N.E. WASHINGTON BLVD. BARTLESVILLE, OK 74006 918-333-8855

A Renovation for
City of Bartlesville Administration Offices
401 S. Johnstone, Bartlesville, Oklahoma

A-4
SHEET NUMBER

bartlesville redevelopment trust authority
CONNECTED/CREATIVE/VIBRANT

HUD HOPE VI MAIN STREET GRANT REDEVELOPMENT AGREEMENT
STAFF REPORT
August 2, 2021

City Attorney Jess Kane has reviewed the document. If approved by the City Council, the document will also be signed by the Developer and BRTA.

309-311 South Dewey Avenue, as the project is called, will create seven (7) apartment units, divided into five (5) one-bedroom/one-bath units and two (2) two-bedroom/one bath apartment units. The 2016 HUD Hope VI Main Street Grant will provide funds for all seven (7) units to be affordable workforce housing with one of the seven apartments being fully ADA accessible. All apartments will have been completely renovated with new kitchens and bathrooms, millwork and energy-star appliances, new walls, ceilings, and floors, new electrical and lighting, and HVAC systems. The building will also include two commercial spaces on the ground floor with renovated storefronts, and WiFi throughout the common areas. Tenant parking for the apartments and commercial spaces is available on-site next door to the building. The renovation will also include the removal of the blue metal storefront now covering the historic façade below. The historic façade will be renovated per requirements of the State Historic Preservation Office. The full cost of the project is expected to be $1,200,000.

The seven (7) affordable units must be reserved for those making up to 80% of area median income for the first term of the lease. The 2021 Area Median Income in Washington County, OK is defined by HUD as $66,700 for a four-person household. The 80% is broken down by number of people in the household. For example, one person cannot not exceed an income of $37,350, two persons cannot exceed $42,700, three persons cannot exceed $48,050, and four persons cannot exceed $53,350.

If you require additional information about the apartment project, Adrienne Kallweit with DNA Investments LLC will be available at the City Council Meeting to answer questions.

Staff Recommendation:
Staff Recommends the approval of the 309-311 South Dewey Avenue Redevelopment Agreement.

Prepare by:
Chris Wilson
Director
Bartlesville Redevelopment Trust Authority

HUD HOPE VI MAIN STREET GRANT REDEVELOPMENT AGREEMENT
STAFF REPORT
August 2, 2021

Description:
In the July 6, 2021, City Council Meeting, The City Council approved a budget revision to include the 2016 Hope VI Main Street Grant as a Restricted Fund. This action is the second part needed to spend the Hope VI Main Street Grant.

In 2016, a collaboration between Bartlesville Redevelopment Trust Authority (BRTA), Downtown Bartlesville Inc., Washington County Affordable Housing Coalition, New Leaf Development, and the City of Bartlesville resulted in an award of a $500,000 HUD Hope VI Main Street Grant to revitalize the northern portion of the former First Methodist Church at 500 South Johnstone Avenue. This was the second consecutive grant. However, the project never materialized due to the devaluation of historic tax credits after The Tax Cuts and Jobs Act of 2017. Instead of returning the grant to HUD, the Bartlesville Redevelopment Trust Authority began the search for an alternative location to spend the grant. The grant has a deadline to be spent by September 30, 2023.

Several projects were considered, but only one rose to the top of the list, the project at 309-311 South Dewey Avenue, formerly Merrick Printing and Lippitt Insurance Agency. The building is under contract to purchase by DNA Investments LLC. HUD will not allow the property to close until the two documents are completed. One is the TDC Financial Worksheet and the other is the Development Proposal. After demonstrating a commitment to the grant documentation, BRTA, on behalf of the City of Bartlesville, submitted an official request to change the location of the 2016 HUD Hope VI Main Street Grant from 500 South Johnstone Avenue to 309-311 South Dewey Avenue on May 3, 2021.

The grant has a number of requirements under the two documents mentioned above including the ability to complete detailed financing reports, budgets, and pro formas, as well as a detailed and a descriptive Developer Proposal. A Section 106 Historic Preservation Review, Part 50 Environmental Review, and a Local Redevelopment Agreement are also required. The Local Redevelopment Agreement spells out the responsibility of the City of Bartlesville as the Grantee, Bartlesville Redevelopment Trust Authority as the lead agency, liaison and support to the City (Grantee) and the Developer (Subgrantee), and DNA Investments LLC as the Developer (Subgrantee). DNA Investments LLC has proven to be an excellent partner in this project, always providing prompt responses to questions and requests for information. Their professional work shows in the product.

The original Local Redevelopment Agreement was drafted by BRTA's TIF Counsel, Jeff Sabin of the Center for Economic Development Law, when the agreement was also used for the 2014 Hope VI Main Street Grant at 821 South Johnstone Avenue, The Apartments at Hotel Phillips.

309-311 SOUTH DEWEY AVENUE REDEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF BARTLESVILLE

AND

THE BARTLESVILLE REDEVELOPMENT TRUST AUTHORITY

AND

DNA INVESTMENTS LLC

309-311 SOUTH DEWEY AVENUE REDEVELOPMENT AGREEMENT

This Agreement is made effective as of the ___ day of _____, 2021 ("Effective Date"), by and between the City of Bartlesville, a municipal corporation ("City"), the Bartlesville Redevelopment Trust Authority ("BRTA"), a public trust, and DNA Investments LLC ("Redeveloper") (City, BRTA, and Redeveloper, collectively, "Parties").

WITNESSETH:

WHEREAS, the City has adopted the Project Plan Relating to Increment District No. 1, City of Bartlesville, Oklahoma (Downtown Commercial Increment District), as amended ("Project Plan"), which is a project plan pursuant to the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.*, in an area located in the City of Bartlesville ("Project Area"); and

WHEREAS, under the terms of the Project Plan, BRTA is designated as the public entity with primary responsibility for carrying out and administering the Project Plan; and

WHEREAS, the objectives of the Project Plan include encouraging private redevelopment of the Project Area, stimulating private investment, and enhancing the City's tax base; and

WHEREAS, the Redeveloper has a contract to purchase property in a part of the Project Area, which is shown on Exhibit A ("Property"), that it proposes to redevelop by rehabilitating and converting the property into a multifamily housing development, with a portion of the housing units to benefit persons of Low and Moderate-Income ("Project"); and

WHEREAS, the City has applied for and received HOPE VI Main Street Grant funding ("Grant") from the United States Department of Housing and Urban Development ("HUD") that it will provide the Redeveloper, pursuant to the terms of this Agreement, to assist the Project provide an affordable housing component; and

WHEREAS, BRTA will assist the City in managing the requirements of the Grant; and

WHEREAS, the City and BRTA both deem it appropriate and desirable to approve and enter into this Agreement to provide for the implementation of the Project and has determined such Agreement is vital and in the best interest of the City, as well as the health, safety, and welfare of its residents.

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I. NATURE OF THE AGREEMENT.

Section 1.01. Scope of the Project.

The Project consists of the Redeveloper's rehabilitation and redevelopment of the Property, which is located at 309-311 South Dewey Avenue. The City and BRTA, in accordance with this Agreement, will provide certain assistance in development financing to the Redeveloper to promote the redevelopment and rehabilitation of the Property, into a multifamily residential

building hosting at least seven (7) apartment residences, with all of those residences to be rented to Low and Moderate-income persons for the first term of the lease. The Project supports the Project Plan and is intended to:

(a) Provide Housing in the Project Area

The Project shall include at least seven (7) new housing units in the Project Area, including at least seven (7) units that will be designated as "affordable" during their initial lease term ("Main Street Units").

(b) Create Private Investment

The Project shall be constructed in a single phase and, upon completion, shall have a minimum hard and soft construction and development cost, including fixtures, furniture and equipment of at least one million two-hundred thousand dollars ($1,200,000).

(c) Stimulate Additional Activity

The parties are hopeful that the addition of new residents to the Project Area resulting from the Project will stimulate additional redevelopment activity.

Section 1.02. Relationship of the Parties.

The undertaking of the Project is a complex process, which will require the mutual agreement of the Parties and their timely actions on matters appropriate or necessary to implementation of the Project. The Parties shall use their best efforts in good faith to perform and to assist others in performing their respective obligations under this Agreement.

ARTICLE II. OBLIGATIONS OF THE CITY

Section 2.01. Assistance in Development Financing—Generally.

The City shall provide the Redeveloper with Assistance in Development Financing in an amount not to exceed $500,000 ("City Assistance"). The City Assistance shall be sourced solely from the proceeds of the Grant. The City Assistance shall pay the Redeveloper up to $500,000 for incurred expenses that are eligible under a FY 2016 Hope VI Main Street Grant Agreement that was entered into between the City and HUD and is in the process of being amended ("Grant Agreement"), but only to the extent such expenses are incurred in connection with the provision of the Main Street Units ("Eligible Expenses"). The City Assistance is subject to all terms and conditions of this Agreement and the Grant Agreement, as amended. An executed copy of the Grant Agreement, as amended, will be attached to this Agreement as Exhibit C, and is incorporated by reference into this Agreement. In the event that the amendments to the Grant Agreement are finalized after the execution of this Agreement, the terms of the amended Grant Agreement shall be inserted in place of the unamended Grant Agreement and incorporated by all references to "Grant Agreement" in this Agreement.

Section 2.02. Assistance in Development Financing—Payment Schedule.

Upon presentation of all proposed Eligible Expenses, and only after the City, BRTA, and HUD have approved and verified such Eligible Expenses, the City shall provide one hundred percent (100%) of the City Assistance to the Redeveloper within ten (10) days of the date the City is able to drawdown funds under the terms of the Grant Agreement.

Section 2.03. Compliance with Grant Agreement.

(a) Generally

The City shall adhere to all requirements, conditions, and obligations that are or will be imposed on the City as Grantee under the Grant Agreement. The City shall use its best efforts to ensure open communications with the Redeveloper concerning, and from time to time to request from the Redeveloper any information needed to fulfill, such requirements, conditions, and obligations, with sufficient time for the Redeveloper to provide the requested information to the City, its agents, or to HUD in the format specified by the City, its agents, or HUD. The requirements, conditions, and obligations that are or will be imposed on the City pursuant to the Grant Agreement include, but are not limited to, the following:

(i) Submitting Quarterly Reports to HUD;

(ii) Submitting a Development Proposal to HUD by a specific date that HUD establishes; and

(iii) Initiating closeout of the Grant within a certain period of time after completion of all Grant-funded activities.

(b) Affordable Housing Tenant Screening

The City shall consider entering into a professional services contract with an Oklahoma not for profit corporation such as the Washington County Affordable Housing Coalition, or another qualified professional services provider to screen potential initial residents of the Main Street Units, as well as providing all additional services listed on the commitment letter attached as Exhibit D, which was included as part of the City's Grant application, to ensure compliance with the terms and provisions of the Grant Agreement governing initial resident eligibility.

ARTICLE III. OBLIGATIONS OF BRTA

Section 3.01. Verification of Eligible Expenses.

Upon presentation of all proposed Eligible Expenses, BRTA shall provide assistance and support to the City in verifying that all proposed Eligible Expenses are eligible under the terms of the Grant Agreement.

Section 3.02. Compliance with Grant Agreement.

(a) Generally

BRTA shall lead the effort, provide assistance and support to the City in meeting its obligations imposed on it as grantee under the Grant Agreement, as referenced in Section 2.03 of this Agreement. BRTA will lead the review of all submissions by the Redeveloper required under the Grant Agreement and this Agreement, and will perform ongoing Grant management services during the Project's implementation.

(b) 24 CFR Part 50 Environmental Review

BRTA shall lead the effort and support to the City necessary for the Project to undergo environmental review and consultation pursuant to the implementation of environmental review requirements under 24 CFR part 50.

(c) Section 106 Historic Preservation Requirements

BRTA shall lead the effort, provide assistance and support to the City necessary for the Project to undergo historic preservation review and consultation pursuant to Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. § 470f) and its implementing regulation, 36 CFR part 800, as applicable, in accordance with environmental review requirements under 24 CFR part 50.

ARTICLE IV. OBLIGATIONS OF THE REDEVELOPER

Section 4.01. Project Schedule.

Redeveloper agrees to cause the design and construction of the Project strictly in accordance with the provisions of this Agreement and with approved Construction Documents submitted in accordance with this Article. *Construction of the Project will be* completed on or before August 1, 2023. For purposes of this Agreement, "Completion" means the issuance of a certificate of occupancy by the City for the Main Street Units.

Section 4.02. Submission of Information Needed for Eligible Expense Verification and Grant Agreement; Section 106 Historic Preservation Review.

The Redeveloper shall use its best efforts to timely submit information to the City, BRTA, or HUD, as requested by the City pursuant to Sections 2.02, 2.03, 3.01, and 3.02 above, in order for the City to fulfill its requirements, conditions, and obligations under the Grant Agreement. The Redeveloper shall allow access to the Project site and will provide any necessary assistance to BRTA in complying with the Section 106 Historic Preservation Requirements outlined in the Grant Agreement and Section 3.02(b) above.

Section 4.03. Main Street Unit Requirements.

The Redeveloper shall include the Main Street Units as part of the Project. The Main Street Units shall be developed, operated, and maintained in accordance with the requirements of the

Grant Agreement for the period of time that the initial residents occupy each of the Main Street Units.

(a) Initial Resident Eligibility

Initial residents of the Main Street Units must be a low-income family as defined by Section 3(b)(2) of the United States Housing Act of 1937, as amended. Generally, this means initial residents of the Main Street Units must have an adjusted gross income that does not exceed eighty percent (80%) of the median family income for Washington County, Oklahoma, as adjusted for family size and as published by HUD as "Income Limits."

(b) Initial Occupancy Period Requirements

During the period of initial occupancy, as defined in the Grant Agreement, initial residents of Main Street Units must be subject to the same rules regarding occupant contribution toward rent and terms of rental, as residents of public housing units that are developed as a part of a HOPE VI or Choice Neighborhoods Revitalization Grant development. Additionally, before any of the Main Street Units are initially rented, the Redeveloper must receive HUD approval of the rent determination methodology and resident grievance policies that will be in place for the Main Street Units.

(c) Tenant Screening and Other Services

The Redeveloper shall assist and cooperate with an Oklahoma nonprofit organization or another professional services that may be contracted by the City, pursuant to Section 2.03, paragraph (b), in screening potential initial residents of the Main Street Units and in providing all services described in the commitment letter attached as Exhibit D, to help ensure that the City maintains compliance with the terms and provisions of the Grant Agreement governing initial resident eligibility.

Section 4.04. Submission of Design and Construction Documents.

As of the date of this Agreement, the Redeveloper has already submitted to BRTA for BRTA's review and approval Design and Construction Documents consisting of a completed HUD Form 50157 Developer Proposal and the HUD Form 50156 Main Street Data Sheet or similar. These documents are attached to this Agreement and incorporated into this Agreement by reference. Revisions to the Design and Construction Documents must be submitted to BRTA for review and approval.

Section 4.05. Submission of Evidence of Financing Capacity.

As of the date of this Agreement, the Redeveloper has submitted evidence, in a form that is commercially reasonable and satisfactory to BRTA, of financing capacity and any commitments necessary for construction of Project. This evidence is attached to this Agreement and incorporated into this Agreement by reference. Revisions to the Evidence of Financing Capacity must be submitted to BRTA for review and approval if or when the proposed financing arrangement is changed from that described in and approved from previous submissions.

Section 4.06. Cost of Construction.

All costs incurred in connection with the design and construction of the Project pursuant to the Design and Construction Documents shall be borne by the Redeveloper, subject to the provisions of this Agreement.

Section 4.07. Progress Reports.

Subsequent to execution of this Agreement, and until completion of construction of the Main Street units as provided for in Section 4.01, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by BRTA, as to the actual progress of the Redeveloper with respect to such construction.

ARTICLE V. CONDITIONS PRECEDENT TO CONSTRUCTION AND PAYMENTS OF ASSISTANCE IN DEVELOPMENT FINANCING

The Redeveloper's obligations to commence construction on the Project and its rights to receive any Assistance in Development Financing shall not be effective until each of the following conditions have been satisfied. If any one or more of such conditions are not satisfied or waived at or before the Commencement Date, then this Agreement shall be of no further force and effect, and the Parties shall have no further obligations or liability under this Agreement.

Section 5.01. Awarding of Grant.

The City shall have been awarded the Grant. *(As of the date of this Agreement, the City has been awarded the Grant.)*

Section 5.02. Design and Construction Documents.

Design and construction documents for the Project consistent with the requirements in Article IV shall have been submitted to and approved by BRTA.

Section 5.03. Grant Agreement Requirements.

Any and all Grant Agreement requirements and HUD approvals for all items that the Grant Agreement requires to be satisfied or secured prior to commencement of construction or drawdown of the Grant funding to be used as the source of the City Assistance shall have been satisfied.

Section 5.04. Legal Proceedings.

No preliminary or permanent injunction or other order, decree, or ruling issued by a governmental entity, a new statute, rule, regulation, or executive order promulgated or enacted by a governmental entity, shall be in effect that restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the transactions contemplated by this Agreement; no proceedings by a governmental entity shall be commenced or threatened against the City, BRTA, or the Redeveloper (or any of their respective affiliates, associates, directors, or officers) seeking to prevent or challenge the transactions contemplated by this Agreement; and no proceedings before a court of competent jurisdiction shall have been commenced against the City, BRTA, or the Redeveloper

(or any of their respective affiliates, associates, directors, or officers) seeking to prevent or challenge the transactions contemplated by this Agreement.

Section 5.05. Evidence of Funds.

Redeveloper shall have provided written evidence, in a form that is commercially reasonable and satisfactory to BRTA, confirming good and sufficient funds are readily available for the complete design, development and construction of the Project.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES OF THE CITY AND BRTA

The City and BRTA represent and warrant to the Redeveloper that the following statements are true as of the date of this Agreement.

Section 6.01. Due Authority; No Conflict.

The City and BRTA have all requisite power and authority to execute and carry out their respective obligations under, and all transactions contemplated by, this Agreement. This Agreement has been, and the documents contemplated by it will be, duly executed and delivered by the City and BRTA, and constitute legal, valid and binding obligations enforceable against the Authority in accordance with its terms. The consummation by the City and BRTA of the transactions contemplated by this Agreement is not in violation of or in conflict with, nor does it constitute a default under, any of the terms of any agreement or instrument to which the City or BRTA is a party, or by which the City or BRTA is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority, or any provision of any applicable order, judgment, or decree of any court, arbitrator, or governmental authority.

Section 6.02. Survival of Representations and Warranties.

All representations and warranties of the City and BRTA under this Agreement shall survive the execution of this Agreement indefinitely.

Section 6.03. Oklahoma Governmental Tort Claims Act.

The obligations of both the City and BRTA under this Agreement are subject to, and shall not constitute a waiver of, the protection or limits of liability under the Oklahoma Governmental Tort Claims Act, 51 O.S. § 150, *et seq.*

ARTICLE VII. REPRESENTATIONS AND WARRANTIES OF THE REDEVELOPER

Redeveloper represents and warrants to the City and to BRTA that the following representations and warranties are true as of the date of this Agreement.

Section 7.01. Due Organization.

Redeveloper represents that it is a limited liability company duly organized and existing, in good standing, under the laws of the State of Oklahoma. Redeveloper is authorized to conduct

business in the State of Oklahoma, is in good standing under the laws of Oklahoma, and is not in violation of any provisions of its articles of organization, operating agreement, or any other agreement governing the Redeveloper, or any law of the State of Oklahoma affecting Redeveloper's ability to perform under this Agreement.

Section 7.02. Due Authority; No Conflict.

Redeveloper has all requisite power and authority to execute, deliver, and carry out its obligations under, and all transactions contemplated by, this Agreement. This Agreement has been, and the documents contemplated within it will be, duly executed and delivered by Redeveloper, and constitute legal, valid and binding obligations enforceable against Redeveloper in accordance with their terms. The consummation by Redeveloper of the transactions contemplated by this Agreement is not in violation of or in conflict with, nor does it constitute a default under, any terms or provisions of organizational documents of Redeveloper, or any of the terms of any agreements or instruments to which Redeveloper is a party, or by which Redeveloper is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

Section 7.03. Consents.

No consent, approval, order or authorization of, or declarations or filing of any governmental authority is required on the part of Redeveloper in connection with the execution and delivery of this Agreement or for the performance of the transactions under this Agreement contemplated by the Parties.

Section 7.04. Litigation.

To the best knowledge of the Redeveloper, there is no pending or threatened judicial, municipal or administrative proceedings, consent decree or judgments that might affect the Redeveloper's ability to consummate the transaction contemplated by this Agreement.

Section 7.05. Survival of Redeveloper's Representations and Warranties.

The representations and warranties of Redeveloper under this Agreement shall survive the execution of this Agreement indefinitely.

Section 7.06. Compliance with Laws and Agreements.

Redeveloper will comply with all laws, ordinances, and regulations of, and agreements with or obligations to, any federal, state, municipal, or other governmental body as may apply to the performance of Redeveloper's obligations under this Agreement.

ARTICLE VIII. TERMINATION

Section 8.01. Automatic Termination of Agreement.

This Agreement shall terminate and be of no further force and effect if the Project is not completed within the Project Schedule deadlines described in Section 4.01 and the submission of eligible expense information is not submitted with sufficient time for the City to be able to drawdown Grant funds under the provisions of the Grant Agreement prior to the Grant's September 30, 2023 expiration date of the available funds. Upon such termination, both Parties will thereafter be discharged from further performance and all liability under this Agreement.

Section 8.02. Termination by Agreement.

This Agreement may be terminated by the written agreement of the Parties.

Section 8.03. Termination by the City or BRTA.

In addition to the automatic termination provisions described in Section 8.01 and the ability to terminate by mutual agreement described in Section 8.02, this Agreement may be terminated by the City or BRTA: (a) if the Redeveloper materially defaults or breaches any of the terms of conditions of this Agreement, and such default or breach is not cured within thirty (30) days after notice of such default or breach from the City or BRTA to the Redeveloper; (b) if Redeveloper fails to pay any real or personal property taxes on the Project, provided the Redeveloper shall have the right to timely and properly protest and contest any such taxes believed in good faith to be in error; or (c) if an Event of Bankruptcy or Insolvency occurs by the Redeveloper.

As stated in this Section, an "Event of Bankruptcy or Insolvency" means (i) the dissolution or termination of the Redeveloper's existence as a business entity, (ii) insolvency, (iii) the appointment of a receiver for any part of the Redeveloper's property where such appointment is not terminated within ninety (90) days after such appointment is initially made, (iv) the general assignment for the benefit of creditors of the Redeveloper, or (v) the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Redeveloper where such proceeding is not dismissed within ninety (90) days after the filing of such proceeding.

Section 8.04. Termination by the Redeveloper.

Unless otherwise terminated under other Sections of this Article, this Agreement may be terminated by the Redeveloper if the City or BRTA materially defaults or breaches any of the terms or conditions of this Agreement, and such default or breach is not cured within sixty (60) days after notice of such default or breach from the Redeveloper to the City and BRTA.

ARTICLE IX. GENERAL PROVISIONS

Section 9.01. Assignment; Successors and Assigns.

This Agreement may not be assigned by Redeveloper without the express written consent of the City and BRTA except to a real property holding company affiliate of Redeveloper or to an

affiliated entity owned by the same individuals or entities as own the Redeveloper. The terms and conditions of this Agreement are binding upon the successors and assigns to the Parties.

Section 9.02. Applicable Law, Severability, and Entire Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma. If any provisions of this Agreement or the application of such provisions to any persons or circumstances shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement, or the application of such provision, or portion of this Agreement, and each provision of this Agreement, shall be valid and enforceable to the fullest extent permitted by law. This Agreement and the attached Exhibits set forth the entire understanding among the City, BRTA, and the Redeveloper.

Section 9.03. Third Parties.

Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the Parties and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights express or implied, upon any other person.

Section 9.04. No Partnership or Joint Venture Created.

This Agreement specifically does not create any partnership or joint venture between the Parties or render any party liable for any of the debts or obligations of any other party.

Section 9.05. Time is of the Essence.

The Parties understand and agree that time is of the essence with regard to all the terms and provisions of this Agreement.

Section 9.06. Notices and Demands.

Any notice, demand, or other communication under this Agreement shall be sufficiently given or delivered when it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

(a) In the case of the Redeveloper:

DNA Investments LLC
Attn: Adrienne Kallweit
P. O. Box 143
Bartlesville, OK 74005

(b) In the case of the City:

City of Bartlesville
Attn: Mike Bailey, City Manager
401 South Johnstone Avenue, 2nd Floor
Bartlesville, Oklahoma, 74003

(c) In the case of BRTA:

Bartlesville Redevelopment Trust Authority
Attn: Chris Wilson, Director
401 South Dewey Avenue, Suite 812
Bartlesville, Oklahoma 74003

or to such other address as the Parties may from time to time designate in writing. Any communication under this Agreement given by a party under this Section shall be given to each other party to this Agreement.

Section 9.07. Modifications.

This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the party or parties against whom enforcement of any waiver, change, modification or discharge is sought.

Section 9.08. Further Assurances.

Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action as may be reasonably requested by any of the Parties to consummate more effectively the purposes or subject matter of this Agreement.

Section 9.09. Attorneys' Fees.

In the event of any controversy, claim or dispute between the Parties affecting or relating to the subject matter or performance of this Agreement, the parties agree that neither, as the prevailing party or otherwise, shall be entitled to recover any of its attorneys' fees, costs, or other expenses incurred in the prosecution of the proceeding. To that end, the Parties expressly waive every statutory or other basis for the recovery of attorneys' fees, costs, or other expenses in any proceeding.

Section 9.10. Construction of this Agreement.

The Parties acknowledge that the Parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf by its Mayor, BRTA has caused this Agreement to be duly executed in its name and behalf by its Chairman, and the Redeveloper has caused the Agreement to be duly executed in its name and behalf by its Manager.

(signature pages follow)

CITY OF BARTLESVILLE,
a municipal corporation ("City")

By: _____
Dale Copeland, Mayor

ATTEST:

_____
City Clerk

ACKNOWLEDGMENT

STATE OF OKLAHOMA,)
) ss.
COUNTY OF WASHINGTON.)

Before me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 2021 personally appeared Dale Copeland, to me known to be the identical person who executed the foregoing instrument as the Mayor of the City of Bartlesville, and acknowledged to me that he executed the same as his free and voluntary act on behalf of the City of Bartlesville, for the uses and purposes therein set forth.

Witness my hand and official seal the day and year above written.

_____
Notary Public

My Commission Expires: _____

My Commission Number: _____

BARTLESVILLE REDEVELOPMENT TRUST AUTHORITY, a public trust ("BRTA")

By: _____
David Nickel, Chairman

ATTEST:

_____
Secretary

ACKNOWLEDGMENT

STATE OF OKLAHOMA,)
) ss.
COUNTY OF WASHINGTON.)

Before me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 2021 personally appeared David Nickel, to me known to be the identical person who executed the foregoing instrument as the Chairman of the Bartlesville Redevelopment Trust Authority, and acknowledged to me that he executed the same as his free and voluntary act on behalf of the Bartlesville Redevelopment Trust Authority, for the uses and purposes therein set forth.

Witness my hand and official seal the day and year above written.

_____
Notary Public

My Commission Expires: _____

My Commission Number: _____

DNA Investments LLC,
an Oklahoma limited liability company ("Redeveloper")

By: _____
Adrienne Kallweit, Manager

ACKNOWLEDGMENT

STATE OF _____,)
) ss.
COUNTY OF _____.)

Before me, the undersigned, a Notary Public in and for said County and State, on this _____ day of _____, 2021 personally appeared Adrienne Kallweit, to me known to be the identical person who executed the foregoing instrument as the Manager of DNA Investments LLC, and acknowledged to me that he executed the same as his free and voluntary act on behalf of the DNA Investments LLC, for the uses and purposes therein set forth.

Witness my hand and official seal the day and year above written.

_____
Notary Public

My Commission Expires: _____

My Commission Number: _____

EXHIBIT A: PROPERTY ILLUSTRATION

(See Attachment)

DRAFT

EXHIBIT B: PROPERTY LEGAL DESCRIPTION

309 SOUTH DEWEY AVENUE: N 25' LOT 2 BLK 29 ORIG BARTLESVILLE

311 SOUTH DEWEY AVENUE: S 25' LOT 2 BLK 29 ORIG BARTLESVILLE

EXHIBIT C: GRANT AGREEMENT

(See Attachment)

EXHIBIT D: WCAHC COMMITMENT LETTER

AffordableHOUSING

Washington County Affordable Housing Coalition

March 31st, 2015

RE: HOPE VI Main Street Grant

NAME OF PROVIDING RESOURCE: Washington County Affordable Housing Coalition, Inc.

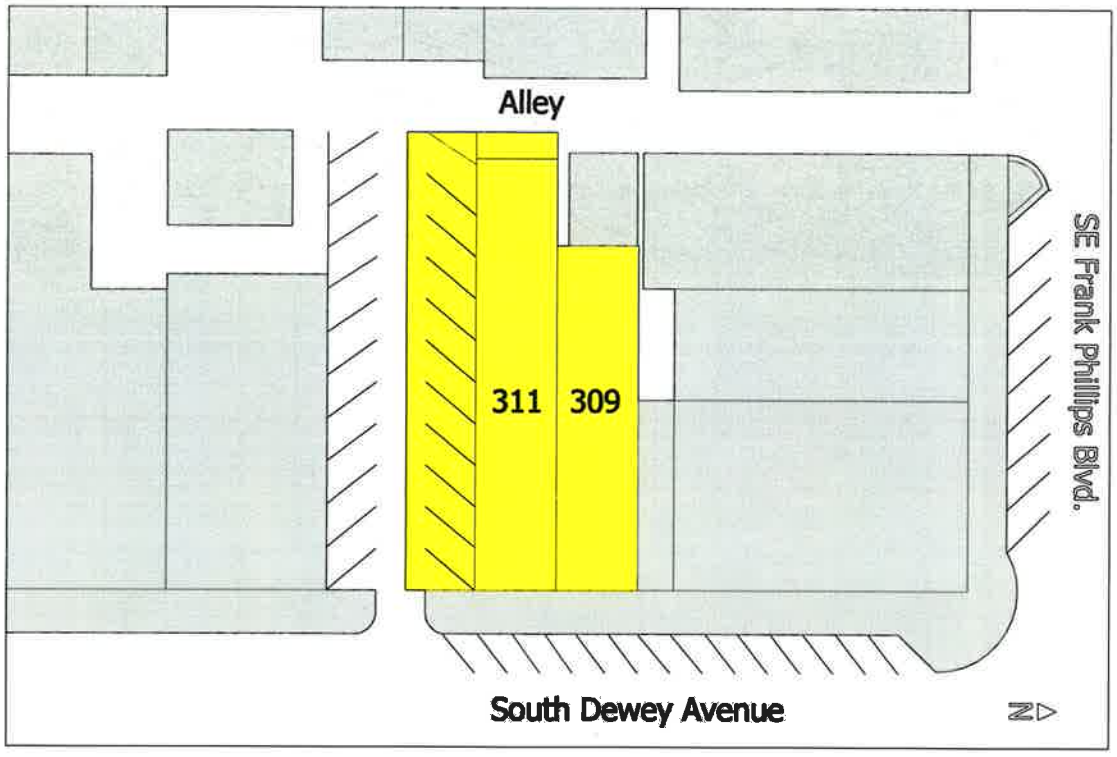
NAME OF CONTACT: Eric C. Jaekel, President
918-214-4310
wcahcpres@gmail.com

This letter of commitment is written in support of the City of Bartlesville's HOPE VI Main Street grant application. The Washington County Affordable Housing Coalition, Inc. is pleased to be a partner in this important endeavor to provide affordable housing to low income individuals residing in Bartlesville, Oklahoma. Our organization is passionate about helping low income individuals find safe, healthy housing and connect them with supportive community resources. The Washington County Affordable Housing Coalition, Inc. agrees to provide the following in-kind services:

Service Provided:	**In-Kind Cost:**
Screening of applicants (36 applicants x $20 per staff hour x 36 hours) =	$720.00
Comprehensive needs assessment with applicant (16 residents x $20 per staff hour x 32 hours Based on a two hour assessment) =	$640.00
Development of an individual/family service plan (16 residents x $20 per staff hour x 16 hours) =	$320.00
Connection to supportive community resources/ Case Management (16 residents' x $20 per staff hour x 40 hours) =	$800.00
Facilitation of life skills/education workshop series (6 Workshop Modules) x 12 hours @ $20 per hour	$240.00
Printing of life skills/education materials (20 education notebooks) $300.00	
Consultation for housing development & management (20 hours x $50 per staff hour)	$1,000.00
TOTAL IN-KIND DONATION:	**$4,020.00**

Washington County Affordable Housing Coalition
822 S. Johnstone Ave
Bartlesville, OK 74003

Eric Jaekel
918-214-4310
wcahcpres@gmail.com


Alley
311
309
SE Frank Phillips Blvd.
South Dewey Avenue
N

FY 2016 HOPE VI MAIN STREET GRANT AGREEMENT

This grant agreement ("Grant Agreement") is made by and between the United States Department of Housing and Urban Development ("HUD") and the jurisdiction ("Grantee") identified on the funds obligation document (Form HUD 1044). The Grantee received a HOPE VI Main Street Grant from fiscal year 2016 funds for the activities described in the Notice of Funding Availability application and the Main Street Housing Plan, as defined in Article II. The fully executed form HUD-1044 for this assistance and the exhibits are incorporated into, and subject to the terms of, this Grant Agreement.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937 ("Section 24"). Funding for Section 24 is appropriated by the Consolidated Appropriations Act, 2016, (Public Law 114-113, approved December 18,2015). In accordance with 31 U.S.C. § 1552, all FY 2016 Section 24 funds must be expended by September 30, 2023. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. See Article I.(J.) for further information.

HUD agrees, subject to the terms of this Grant Agreement, to provide grant funds to the Grantee, in the total amount listed on the form HUD-1044, attached hereto, for the above referenced activities.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:

Table of Contents

ARTICLE I. HOPE VI REQUIREMENTS 3
ARTICLE II. HOPE VI MAIN STREET AFFORDABLE HOUSING PROJECT PLAN 4
ARTICLE III. MAIN STREET ACTIVITIES AND REQUIREMENTS 6
ARTICLE IV. AFFORDABLE HOUSING UNITS 10
ARTICLE V. HOPE VI BUDGET AND FUNDING REQUESTS 12
ARTICLE VI. PROJECT DRAWDOWNS 13
ARTICLE VII. MATCHING FUNDS 14
ARTICLE VIII. FINANCE AND ACCOUNTING 15
ARTICLE IX. RECORDKEEPING 16
ARTICLE X. SUBGRANTEES AND CONTRACTORS 16
ARTICLE XI. COMMUNITY INVOLVEMENT 18
ARTICLE XII. ENVIRONMENTAL REVIEW 19
ARTICLE XIII. FAIR HOUSING CERTIFICATIONS 21
ARTICLE XIV. BUILDING STANDARDS AND DESIGN 22
ARTICLE XV. LABOR STANDARDS 24
ARTICLE XVI CONFLICT OF INTEREST 24
ARTICLE XVII. REPORTING REQUIREMENTS 25
ARTICLE XVIII. TECHNICAL ASSISTANCE. 26
ARTICLE XIX. UNSATISFACTORY PERFORMANCE/DEFAULT 27
ARTICLE XX. PROJECT CLOSE-OUT 31
ARTICLE XXI. EFFECTIVE DATE 32

FY 2016 HOPE VI MAIN STREET GRANT AGREEMENT

ARTICLE I HOPE VI Requirements

The Grantee agrees to conduct all activities to be assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the "Main Street Requirements"):

(A) Section 24(n) of the U.S. Housing Act of 1937 (42 U.S.C. 1437 v), as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461 approved October 21, 1998) , including the HOPE VI Authorization, and all implementing regulations ("Section 24");

(B) The HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003 (Pub. L. 108-186, 117 Stat.2685, approved December 16, 2003), and all implementing regulations;

(C) Consolidated Appropriations Act, 2016, (Public Law 114-113, approved December 18, 2015);

(D) HOPE VI Main Street Grants Notice of Funding Availability published on http://www.grants.gov on February 10, 2016 (the "Main Street NOFA");

(E) Notice of HUD's General Section to HUD's Fiscal Year 2016 Notice[s] of Funding Availability for Discretionary Programs (General Section), FR-6000-N-01; dated September 22, 2015 including Fair Housing Requirements stated therein, and its amendments.

(F) Any other statutes, regulations, handbooks, notices, or policies applicable to the activities being conducted with funds provided under this Grant Agreement;

(G) Any executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;

(H) The terms and requirements of this Grant Agreement, and any amendments or addenda thereto;

(I) Section 319 of Public Law 101-121, which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government, implemented at 2 CFR § 200.418 and for HUD at 24 CFR part 87, as the same may be amended from time to time. The Grantee will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds; and

(J) 31 U.S.C. § 1552. In accordance with this statute, all FY 2016 HOPE VI Main Street funds must be expended by September 30, 2023. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or

expenditure for any purpose. Specific funding accounts from each Fiscal Year are stated on form HUD-718, which is attached hereto and is incorporated as part of this Grant Agreement.

ARTICLE II HOPE VI Main Street Affordable Housing Project Plan

(A) General. The HOPE VI Main Street Affordable Housing Plan ("Main Street Housing Plan") consists of a series of documents and submissions that are reviewed and approved by HUD to govern the development of affordable housing under this Grant Agreement.

(B) Components of the Main Street Housing Plan. The Grantee's Main Street Housing Plan includes each of the following components, as approved by HUD:

(1) The Grantee's HOPE VI Main Street application, submitted in response to the Main Street NOFA (the "Main Street Application"). In the event that the Main Street housing units are part of a larger development that is described in the Main Street Application, the total number of housing units considered to come under this Grant Agreement must have a Total Development Cost Limit (TDC), as described in Article VI(B)(2)(b), that exceeds the grant amount. Additional development units need not be considered Main Street units and need not comply with Main Street Use Restrictions as defined in Article IV(A) of this Grant Agreement;

(2) A HOPE VI Budget, as defined in Article V, and requests for funds for predevelopment costs;

(3) Submissions that HUD requires the Grantee to submit following grant award, including, but not limited to:

(a) any waiver requests;

(b) any other information or documentation that is not otherwise required under any other component of the Main Street Housing Plan, but that is requested by HUD to supplement or refine information provided in the Main Street Application and Development Proposal or to meet any terms or conditions of the Grant Agreement.

(4) A Development Proposal, as described in Article III(C); and

(5) Any amendment or modification of the foregoing, as approved in writing by HUD.

(C) Consistency with the Main Street Housing Plan. Any submissions provided to HUD as part of the Main Street Housing Plan under paragraph (B) of this Article, and that are approved in writing by HUD, will be deemed to amend the Main Street Housing Plan.

(D) Incorporation into Grant Agreement. As each component of the Main Street Housing Plan is approved in writing by HUD, it will be deemed to be incorporated into this Grant Agreement.

(E) Time Periods for Implementation. The Grantee agrees to implement its Main Street Housing Plan in accordance with an approved schedule ("Program Schedule"), including but not limited to the following time periods:

(1) The time periods and milestones as stated in the Program Schedule that is included in the Main Street Application and in accordance with Article I(D), above.

(2) Components of the Main Street Housing Plan must be submitted in accordance with the Quarterly Progress Report as detailed in Article XVII, as approved by HUD.

(3) The Grantee must submit the Development Proposal portion of the Main Street Housing Plan within nine months after the date of Grant Agreement execution. The Development Proposal portion of the Main Street Housing Plan is required regardless of the type of units being built. If construction will be broken into more than one financial phase, each with its own financial closing, the Development Proposal only needs to cover the first phase. For this purpose, "financial closing" means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence.

(4) The Grantee must start construction within 15 months from the date of Grant Agreement execution.

(5) The Grantee must complete construction of housing units funded by this Grant Agreement and receive Certificates of Occupancy, or the local equivalent, for these units within 48 months from the date of grant award. "Housing units funded by this Grant Agreement" shall be referred to as "Main Street units." This Grant Agreement does not pertain to housing units funded by sources of funds other than this grant. In the event that funds from this Grant Agreement are pro- rated over a larger development that includes Main Street units, the Main Street units will be identified by implementation of the HOPE VI Main Street Use Restrictions. The number and unit mix of Main Street units shall be determined by HUD approval of the Development Proposal.

(6) In accordance with Section 24(i) of the U.S. Housing Act of 1937, herein after referred to as the "1937 Act", if the Grantee does not proceed within a reasonable time frame, as described in paragraphs (E)(1) through (5) above, HUD may withdraw any funds not expended by the Grantee. Depending upon statutory appropriations requirements, said funds will either be cancelled and returned to the Treasury or HUD shall redistribute any withdrawn amounts to one or more other Grantees eligible for HOPE VI assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Main Street Housing Plan of the original Grantee. HUD may also pursue actions as described in Article XIX, "Unsatisfactory Performance/Default."

(F) Time Extensions. All requests for extensions of the time periods for implementation listed in Article II(E) above must be requested by the Grantee in advance of the deadline dates being extended . All requests for extensions must be made in writing, and will be reviewed and approved or disapproved by the Deputy Assistant Secretary for the Office of Public Housing Investments .

(G) Special Conditions. HUD has the right to establish special conditions with respect to the Grantee's performance of activities under this Grant Agreement, either prior to the execution of this Grant Agreement, or under the circumstances set forth in Article XIX(A).

ARTICLE III Main Street Activities and Requirements

(A) Eligible Grant Activities. Main Street Grant funds may be expended on the following activities:

(1) Reconfiguration of commercial property, major rehabilitation of units that are not currently habitable or new construction to provide affordable rental or homeownership housing located within the Main Street Area. New construction and rehabilitation activities intrinsic to the development of the affordable housing units may extend to other portions of the Project, e.g. to the building envelope, to interior bearing walls of commercial space located below the affordable housing units, and to systems installation through commercial space located below or adjacent to the affordable housing units. (Note: Tenant-occupants displaced or temporarily relocated as a result of rehabilitation or reconfiguration are generally protected by the URA. See FY2016 General Section V.C. – Real Property Acquisition & Relocation for additional information)

(2) Acquisition of land or property for the purpose of developing, reconfiguring, or rehabilitating commercial space or non-habitable affordable housing units in the Project. Acquisition of real property for a federally-funded program or project is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations at 49 CFR part 24.

(a) When funds from the Main Street NOFA are used for Acquisition, the total cost of acquisition is included in HUD's maximum per unit Total Development Cost (TDC) limitation.

(3) Long-term lease or transfer of Project title specifically for the purposes of obtaining tax credits or implementation of extended use restrictions, provided that the recipient owner entity of the title or lease includes the applicant. (Note: Tenant-occupants displaced or temporarily relocated as a result of rehabilitation or reconfiguration are generally protected by the URA. See FY2016 General Section V.C. – Real Property Acquisition & Relocation for additional information)

(4) Architectural or engineering activities, surveys, permits and other planning and implementation costs related to the construction and rehabilitation of the Project.

(5) Tax credit syndication activities.

(6) Costs arising from the relocation of persons as a direct result of acquisition, demolition, or rehabilitation of real property for the Project in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations at 49 CFR part 24.

(7) Management improvements necessary for the proper development and management of the Project, such as:

(a) Staff training including travel related to affordable housing development and management;

(b) Procedure manuals;

(c) Accounting systems, excluding accounting services or bookkeeping;

(d) Lease documents;

(e) Resident screening procedures;

(f) Data processing systems;

(8) Leveraging non-HOPE VI funds and in-kind services. Leverage funds must be firmly committed, i.e., presented in accordance with the definitions of Commitment Letter and Leverage in the Definition of Terms, Section I. of the Main Street NOFA;

(9) Community and Supportive Services, subject to a cap of twenty-five percent (25%) of the requested grant amount;
(10) Sale of homeownership housing units within the Project; and
(11) Section 3 activities delineated in 24 CFR part 135.

(B) Ineligible Grant Activities
(1) Grant funds may only be used to provide assistance to carry out eligible affordable housing activities.
(2) Grant funds cannot be used to fund a rental reserve for the rent-up period or to support the rental income during the initial Use Restricted Affordable Housing period.
(3) Main Street funds may not be used to settle litigation or pay judgments.

(C) Cost Controls and Limitations on Expenditures.
(1) The total amount of Main Street funds expended shall not exceed the Total Development Cost (TDC) for the total number of affordable housing units in a project with Main Street Use Restrictions as stated in Section III.C. of the Main Street NOFA. The Housing Cost Cap (HCC) does not apply to the Main Street program.

(A) Development Proposal. For new construction and rehabilitation of Main Street-related affordable rental and homeownership housing, the Grantee must obtain HUD approval of a Main Street Affordable Housing Project Development Proposal ("Development Proposal"), which includes the documents or information below (The HUD HOPE VI Main Street Development Proposal Summary form contains much of the following and should be used):

(1) A narrative summary including a comprehensive description of:

(a) the Project ownership structure, including ownership of the land and improvements;

(b) the distribution and type of residential units and non-residential uses of the Project as defined in the Main Street Application. The number, type and size of units that will be developed through this proposal must equal the number, type and size of units stated in form HUD-52861 submitted in the application, unless otherwise approved by HUD in accordance with Article III(F), below; and

(c) the terms and conditions of Project financing including investments or other participation by the local government and private entities.

(2) Identification of participating parties and the activities of each party in the development process.

(a) the Grantee must disclose the relationship of the parties and whether there is any identity of interest between any party(ies), e.g., if an owner entity is acting as its own general contractor, if a Developer or other managing entity contracts with a subsidiary or otherwise-related general contractor.

(b) the Grantee must certify that open competition will be used by the grantee to select a development partner and/or equity investor, if applicable.

(3) HOPE VI Cost Control and Safe Harbor Standards

(a) the Grantee will comply with HUD guidance and policies regarding cost controls that establish reasonable costs for implementing the development, such as fees for development services, and general contractor services.

(b) if the Project contains Low Income Housing Tax Credits, HUD will conduct a subsidy layering review pursuant to regulations at 24 CFR Part 4 and the subsidy layering guidelines published in the Federal Register on February 25, 1994 (59 FR 9332-01).

(4) A Program Schedule consistent with Article II(E) of this document.

(5) Financing documentation of all development costs including but not limited to the cost of construction and rehabilitation, acquisition, architectural and engineering activities, surveys, permits, and other planning and implementation, tax credit syndication, relocation, economic development activities, management improvements, leveraged non-Section 24 funds and in-kind services, and community and supportive services. HUD will evaluate whether the sources listed are sufficient to build the Project, whether the sources are construction (temporary) or Permanent, their timing, the terms of loans and grants, and whether the uses appear reasonable. The Grantee must submit the following documentation:

(a) permanent funding sources and uses (form HUD-52861, available at http://www.hud.gov/offices/pih/programs/ph/hope6/grants/mainstreet/ may be used);

(b) form HUD-52825-A, HOPE VI Budget, as defined in Article V;

(c) five-year rental pro forma, assuming Initial Residences of two years; and

(d) Third party project construction cost estimate for identity of interest construction as stated in Article III(C)(2)(a), above.

(6) Site locations, including a site plan, to inform HUD of the planned site and layout of the units.

(7) Design plans, consistent with the requirements of Article XIII and XIV, for the proposed activity including the following:

(a) building plans including individual residential unit plans and any non-residential uses;

(b) for new construction, building sections and elevations as appropriate for new construction to convey the massing, scale and finishes of the completed Project; and

(c) supporting documentation or outline specification supporting the use of higher energy and water efficiency standards in building construction than the Model Energy Code including the use of Energy Star appliances.

(8) Rental/Homeownership Use Restrictions. The ownership entity must develop and submit a written statement of its rent or terms of sale determination methodology and rental resident grievance policies

(B) Relocation. Funding of moving expenses for any persons displaced as a result of construction or rehabilitation under the Main Street Housing Plan, must be provided in accordance with the URA;

(1) The Grantee will provide suitable, decent, safe, and sanitary housing for each family required to relocate as a result of grant activities under the Main Street Housing Plan.

(2) The Grantee must carry out its relocation activities in compliance with a relocation plan that conforms with the following statutory and regulatory requirements, as applicable (the "Standard Relocation Plan"):

(a) relocation or temporary relocation carried out as a result of rehabilitation under an approved Main Street Housing Plan is subject to the URA.

(b) relocation carried out as a result of acquisition under an approved Main Street Housing Plan is subject to the URA;

(c) relocation carried out as a result of demolition under an approved Main Street Housing Plan is subject to the URA.

(C) Community and Supportive Services. If community and supportive services are included in the Development Plan:

(1) The Grantee must provide a detailed narrative explanation of the use of funds for economic development activities that promote the economic self-sufficiency of low-income residents of the Project.

(2) Provision of Housing Counseling is required for prospective purchasers of homeownership units developed with Grant funds.

(D) Changes to the Main Street Housing Plan

(1) Changes Requiring Prior HUD Approval. If any of the following portions of the Main Street Housing Plan are to be modified or amended, the Grantee must request and obtain prior HUD approval:

(a) the Program Schedule.
(i) The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will impair materially the Grantee's ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. ;

(b) the total number of Main Street units to be developed or rehabilitated, whether or not there is an associated budgetary revision requiring prior approval;

(c) changes in any HOPE VI Budget, as defined in Article V, or phase budget that propose an increase or decrease in any line item, except as permitted by Article VI (Drawdowns);

(d) changes in the entities or individuals specified in the Main Street Housing Plan as having key responsibilities for carrying out the Main Street Housing Plan (or any component(s) of the Main Street Housing Plan).

(i) Subgranting, subcontracting or otherwise obtaining the services of a third party to perform activities that are central to the purposes of the Main Street Housing Plan will constitute such a change in entities or individuals; and

(e) changes requested by a subgrantee that relate to any of the itemized categories listed in this paragraph (D) of this Article.

(2) Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Main Street Housing Plan, the Grantee must request prior approval in writing to HUD. Upon HUD approval, the change will be implemented by the execution of an amendment to this Grant Agreement, and shall consist of a revised form HUD-1044 that defines the changes.

(a) decrease in the total dollar amount of the grant;

(b) change in the number of Main Street affordable housing units; and/or

(c) change in the Main Street area for which funds provided under this Grant Agreement are made available.

(E) Waiver Requests.

(1) Standard for approval. The activities to be conducted under this Grant Agreement are subject to the terms of this Grant Agreement and the Main Street Requirements.

(2) Waiver request procedure. If the Grantee wants HUD to approve a waiver of a regulatory requirement, it must submit a request with sufficient information and justification to enable HUD to make a determination of good cause for granting any such request to deviate from existing regulations. Until such time as the Grantee requests and HUD, in its discretion, approves any such requests in writing, the Grantee does not have authority to implement the activities described in the Main Street Application to which the waiver request for approval applies (or for which a waiver request for approval is needed).

ARTICLE IV Affordable Housing Units

(A) Compliance with Main Street Requirements. The Grantee agrees that each affordable housing unit that is developed under the Main Street Housing Plan will be developed, operated, and

maintained in accordance with the Main Street Requirements for the period of time that the initial resident occupies each of the affordable housing units.

(1) Requirements for families occupying affordable units. The initial occupant of an affordable unit developed with the benefit of Section 24 funds must be a low-income family as defined in Section 3(b)(2) of the 1937 Act, as amended. Generally meaning a family or resident whose adjusted gross income does not exceed 80 percent of median family income for the local area, adjusted for family size. HUD publishes these Income Limits at http://www.huduser.org/portal/datasets/il.html.

(2) Requirements during the initial occupancy period for rentals:

(a) initial residents of affordable rental units must be subject to the same rules regarding occupant contribution toward rent, and terms of rental, as residents of public housing units that are developed as a part of a HOPE VI or HOPE VI Main Street revitalization grant development; and

(b) before any unit in the Main Street Affordable Housing Project is initially rented, the ownership entity must develop a written statement, with HUD approval, of its rent determination methodology and resident grievance policies.

(3) Requirements for initial homeownership sale. Initial resident purchasers of affordable homeownership units must be subject to the same rules regarding occupant contribution toward purchase, and terms of purchase, as residents of homeownership units in a HOPE VI development. Generally, a family must not pay more than 35 percent of their income toward their mortgages and must contribute a minimum of one percent of the purchase price for their down payment.

(4) Term of use restrictions. Each unit must be maintained as affordable housing only for the occupancy period of the initial resident of each unit or the period of the initial resident's ownership. Main Street Use Restrictions beyond this initial occupancy period may or may not be applied to the unit at the discretion of the Grantee.

(5) For homeownership units, equity sharing between the resident owner and the Grantee may or may not be applied to the homeownership unit at the discretion of the Grantee.

(B) Public Housing and Market Rate Units

(1) No ACC. The Grantee acknowledges that all units of the Main Street Affordable Housing Project are currently not subject to an Annual Contributions Contract ("ACC") with HUD, i.e., are not housing units that are subsidized with funds originally appropriated for HUD Section 9 programs ("Public Housing") and will not become such units.

(2) Public housing or market rate units. The Grantee may not use funds provided under this Grant Agreement to develop public housing or unrestricted market rate units.

ARTICLE V HOPE VI Budget and Funding Requests

(A) Types of Budgets. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Main Street Requirements and:

(1) HOPE VI Budget. Each Grantee must submit to HUD for approval a HOPE VI Budget as part of the Main Street Housing Plan. The HOPE VI Budget, as used for this Main Street Grant, allocates all funds, for all phases, into Budget Line Items. The HOPE VI Budget will serve as the primary budget and may be subject to revision; and

(2) Budget for each financial or construction phase of the Project.

(B) Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on Form HUD-52825-A, Parts I and II ("HOPE VI Budget"). Part I must be signed and dated by the Mayor, City Manager, or other agent of the grantee that has been granted contractual signatory authority by the grantee, and Part II must include separate sub-line items for each financial phase of the project, e.g., pre-development, construction phases.

(C) Predevelopment Costs.

(1) Funding Requests. Subsequent to execution of this Grant Agreement, the Grantee may submit a HOPE VI Budget for the purpose of requesting Main Street Grant funds for pre-development costs. Upon written approval by HUD of the HOPE VI Budget (with any modifications required by HUD), funds may be drawn down for eligible Pre-development Costs (as defined in subparagraph (2) below), subject to the requirement for an environmental review under Article XII, in accordance with the provisions of this Grant Agreement.

(2) Eligible Predevelopment Costs. Eligible predevelopment costs ("Predevelopment Costs") may include funds for:

(a) Administrative improvement costs related to Grantee training or automation for the implementation of activities on the Main Street Housing Plan;

(b) fees and costs related to procuring goods and services from third parties in connection with eligible pre-development activities such as architectural and engineering (A&E) fees;

(c) acquisition of property

(d) relocation;

(e) limited community and supportive services costs, including costs dedicated to case management and services consistent with Sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the Main Street NOFA. The Grantee may use an amount up to 25 percent of the total HOPE VI funds to pay the costs of community and supportive service programs.

(f) site remediation costs, subject to the requirement for an environmental review under Article XII.

(3) Pre-Grant Agreement Execution Costs. After the execution of this Grant Agreement, the Grantee may include in its HOPE VI Budget, and draw down funds for, costs that were incurred under the Main Street Housing Plan prior to execution of this Grant Agreement, provided that such costs:

(a) were incurred after the date of HUD's award notification letter, awarding this Main Street Grant to the Grantee; and

(b) are directly associated with the activities under the Main Street Housing Plan to be funded with the Main Street Grant.

(4) Pre-development Funds. Upon review and approval of the HOPE VI Budget, as described in Article V(C)(1), HUD will make the approved predevelopment funds available to the Grantee for drawdown in the Line of Credit Control System (LOCCS). The Grantee will ensure that the funds are expended in conformance with the HOPE VI Budget.

(D) Program Income. Unless otherwise approved by HUD, if the Grantee receives program income, as defined by 2 CFR § 200.80, prior to grant closeout (e.g., from repayment of loans or sale of homeownership units) the program income:

(1) Must be used for activities in support of low-income housing, as defined by Section 3(b)(1) of the 1937 Act, as approved by HUD; and

(2) Must be used for eligible activities authorized under this Grant Agreement before the Grantee may draw down additional cash payments from this Main Street Grant.

ARTICLE VI Project Drawdowns

(A) LOCCS Payment System. Consistent with 2 CFR Part 200, the Lead Grantee will request all drawdowns of HOPE VI Main Street Grant funds under the Line of Credit Control System (LOCCS), unless and until another payment system is designated by HUD. The Lead Grantee will comply with all rules, guidelines, and notices established for HOPE VI Main Street under LOCCS, or any substitute system, in connection with any drawdown of HOPE VI Main Street Grant funds. If HUD designates a different payment system, it will be based upon the provisions of 2 CFR § 200.305.

(B) Drawdowns.

(1) The Grantee may draw down Main Street Grant funds for a Budget Line Item (BLI) in an amount that exceeds its HUD approved budgeted amount. Regardless of draw amount, HUD's total grant obligation will not be increased.

(2) Without HUD approval, the Grantee may draw down Main Street Grant funds for a Budget Line Item (BLI) in an amount up to 110 percent of the amount of that BLI that HUD has approved and made available for drawdown.

(3) With HUD approval, the Grantee may request funds that exceed 110 percent of a BLI, provided that any such change does not cause, or result from, a revision to the scope or objectives of the Main Street Housing Plan and that:

(a) HUD's total grant obligation will not be increased;

(b) the Main Street grant funds contribution to the average per unit hard costs for units to be reconstructed, rehabilitated or acquired will not exceed 100 percent of the Total Development Cost Limits ("TDC Limits") as published by HUD at the time of HUD's Development Proposal approval; and

(c) the Grantee will comply with the requirements of Article V(C)(2)(e), relating to the percentage of funding that may be expended for community and supportive service activities.

(4) Notwithstanding paragraphs (B)(1) and (B)(2) above, the Grantee may not draw down or request more than 100 percent of the amount authorized for BLIs 1408 (Management Improvements/Community and Supportive Services) and 1410 (Administration).

(5) Any request for funds in excess of 5 percent of the entire grant amount in any month must be approved by HUD.

(C) Drawdown Consequences of Default.

(1) Withholding of Payments. HUD may withhold payments in accordance with 2 CFR § 200.338.

(2) Grantee Representations. Each drawdown request by the Grantee will constitute, and be deemed to be, a representation by the Grantee that the Grantee is not in default under this Grant Agreement (except as the Grantee previously may have disclosed to HUD in writing).

ARTICLE VII Matching Funds

(A) Overall Match. The Grantee agrees to provide resources, other than Section 24 program funds, in an amount that is not less than 5 percent of the Main Street Grant amount. Matching funds must be directly applicable to the construction, rehabilitation or acquisition of the site.

(B) Eligible Match Contributions. Matching funds may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any material or building donated to the Grantee, the value of any lease on a donated building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided, except for Grantee staff time.

(C) Enforcement of Leveraged Resources. The Grantee agrees that it will pursue and enforce any firm commitment (including commitments for services) obtained from any public or private entity for any contribution or firmly commitment to the Main Street Housing Plan or surrounding area, as included in its Main Street Application.

ARTICLE VIII Finance and Accounting

(A) Commingling of Grant Funds. The Grantee agrees that, in its accounts and recordkeeping, it will not commingle funds provided under the Main Street Grant with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State or local government agencies, or private sector contributions. (Such other funds may be used to carry out the Main Street Housing Plan, so long as they are not commingled in the Grantee's accounts and recordkeeping.)

(B) Duplication of Funding. The Grantee will ensure that funds provided under the Main Street Grant are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal, State or local program, or private sector contributions, or from any other funding source identified under the Main Street Housing Plan, and will establish controls to assure non-duplication of funding.

(C) Cost Limitations.

(1) The Main Street Grant may be used for eligible expenditures, as authorized under this Grant Agreement and the Main Street Requirements.

(a) HUD's TDC Limits apply to the expenditure of funds provided under this Grant Agreement for the development of housing units under this Grant Agreement.

(b) HUD's Cost Controls and Safe Harbors apply to the expenditure of funds provided under this Grant Agreement for the development of housing units under this Grant Agreement.

(2) Funds from this Main Street Grant shall not be used to develop public housing units.

(D) HUD Reform Act. The Grantee will comply with Section 102 of the Department of Housing and Urban Development Reform Act of 1989, as implemented at 24 CFR part 4, subpart A, which contains provisions regarding documentation of funding decisions to subgrantees, the disclosure of any pecuniary interest of any interested party, and the amount of government assistance made available to the Grantee. A subsidy layering review will be performed to ensure that the Grantee will not provide to the Project more assistance under the Main Street Grant than is necessary to provide affordable housing after taking into account other governmental assistance provided.

ARTICLE IX Recordkeeping

(A) Recordkeeping Authorities. The Grantee will comply with and be subject to all Federal recordkeeping requirements, including, but not limited to 2 CFR 200.333:

(B) Recordkeeping Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:

(1) the amount and disbursement of funds received under this HOPE VI Main Street Grant, including sufficient records that document the reasonableness and necessity of each expenditure;

(2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this HOPE VI Main Street Grant;

(3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan; and

(C) Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this HOPE VI Main Street Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

ARTICLE X Subgrantees and Contractors

(A) General Grantee Responsibilities.

(1) Implementation Team. The Grantee agrees to promptly assemble a competent implementation team, if they have not already, to assist the Grantee in working with the Grantee's partners and collaborators and coordinating all phases of the development process. HUD reserves the right to require a Grantee to procure program management services from an independent private entity.

(2) Main Street Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Main Street Requirements.

(3) Administrative Requirements. Public housing authority, local government, Indian tribe, and non-profit entity grantees are subject to 2 CFR Part 200.

(4) Required Certifications.

(a) the Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A or B, as appropriate, to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services under this Grant Agreement. The Grantee will retain the executed original certification together with the executed contract documents.

(b) the Grantee must ensure that the requirements contained in the General Conditions for Construction Form (Form HUD-5370) are included in any solicitation for bids related to a construction contractor that will be made by the Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any construction contract entered into by the Grantee. If a construction contract is solicited by the Grantee's developer, Form HUD-5370 is recommended but not required. The developer may use any General Conditions form that has been approved by the American Institute of Architects.

(c) the Grantee must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form HUD-5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the Grantee. If a construction contract is solicited by the Grantee's developer, Form HUD-5370-C is recommended but not required. The developer may use any General Conditions form that has been approved by the American Institute of Architects.

(d) Certifications required by 2 CFR § 200.415.

(B) Subgrant Agreements

(1) Community and Supportive Services ("CSS") Providers. The Grantee may enter into subgrant agreements with non-profit entities or state or local governments for the performance of CSS activities under the Main Street Housing Plan.

(2) Grantee Responsibilities Regarding Subgrantees. The Grantee will be responsible for:

(a) ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;

(b) ensuring that subgrant agreements include any clauses required by Federal statutes and executive orders, and their implementing regulations; and

(c) monitoring subgrantees' performance to ensure compliance with the Main Street Requirements.

(3) Administrative Requirements for Subgrantees and Related Agreements.

(a) Public housing authority, local government, Indian tribe, and non-profit subgrantees are subject to the requirements of 2 CFR Part 200.

(b) For-profit subgrantees are subject to the requirements of 2 CFR Part 200, Subparts A-E. The Grantee is responsible for establishing audit requirements consistent with 2 CFR § 200.501(h).

(c) Suspension and Debarment. 2 CFR § 200.213. The Grantee must not award a subgrant or related agreement to any entity include in the System for Award Management Exclusions (SAM Exclusions) list. See https://www.sam.gov.

(4) Administrative Requirements for Contractors and Subcontractors and Related Contracts.

(a) Grantee's procurement of contractors or subcontractors.

(i) Grantee shall obtain the services of a for-profit entity through a competitive procurement under 2 CFR Part 200, However, if the Grantee can demonstrate to HUD that the services to be provided by the contractor or subcontractor only from that one source, the Grantee may request HUD approval to select the entity under a sole source procurement pursuant to 2 CFR § 200.320(f).

(ii) Consultant Services. Grantee shall obtain the services of a consultant under an independent contractor relationship pursuant to 2 CFR Part 200.

(b) Trigger for the Submission of Contracts. Contracts must be submitted to HUD for prior approval if required by 2 CFR Part 200, Subpart D, or if requested by HUD. Any modification of a contract that must be submitted to HUD for prior approval if required or requested is also subject HUD's written approval before the execution of the modification.

(c) Suspension and Debarment. 2 CFR § 200.213. The Grantee must not award a subgrant or related agreement to any entity include in the System for Award Management Exclusions (SAM Exclusions) list. See https://www.sam.gov.

(5) Minority, Women's, and Resident-Controlled Business Enterprises. In accordance with Executive Orders 11246, 11625, 12432, and 12138, the Grantee will adopt the goal of awarding a specified percentage of the dollar value of the total of the Main Street contracts to be awarded as a result of this grant to minority business enterprises and take appropriate affirmative action to assist resident-controlled and women's business enterprises.

ARTICLE XI Community Involvement

(A) General.

(1) The Main Street program is designed to involve support from the broader community. The Grantee shall consider the advice, counsel, recommendations and input of the broader community in its decision-making. Nevertheless, the Grantee retains the final decision-

making authority to assure fiscal responsibility and accountability for funds provided under this Grant Agreement. Where community representatives are included on selection panels, the Grantee must constitute the majority of the panel membership.

(2) Members of the community shall be involved in the Main Street program in accordance with the provisions of the Grant Agreement and other resident and community participation guidelines as issued by HUD.

(B) No Third Party Rights. The Grantee and HUD are the sole parties to this Grant Agreement and do not create any third party beneficiaries to this Grant Agreement.

ARTICLE XII Environmental Review

(A) Requirement for Review. The Grantee may not undertake any actions that are choice-limiting or could have environmentally adverse effects, including demolition, disposition, development, acquisition, and may not expend HUD or local funds for such activities, until HUD has given approval for the action under 24 CFR part 50. HUD will conduct the environmental review in accordance with the provisions of 24 CFR part 50. After selection by HUD for review, the Grantee shall provide any documentation to HUD that is needed to perform the environmental review.

(B) Review. The Grantee must have a Phase I environmental site assessment completed in accordance with the American Society for Testing and Material (ASTM) Standards E 1527-13, as amended (see http://www.astm.org), for each affected site. A Phase I assessment is required for the environmental review completed under 24 CFR part 50. The results of the Phase I assessment must be included in the documents that must be provided to HUD for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required, or the grantee may request HUD approval to change the site.

(C) Section 106 Historic Preservation Requirements. Grantees may not commit HUD funds until HUD has completed the historic preservation review and consultation process under Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C.§ 470f) and its implementing regulation, 36 CFR part 800, as applicable, in accordance with environmental review requirements under 24 CFR part 50. See http://www.achp.gov/ for details on the Section 106 review process.

(D) Restrictions on Activities Pending Environmental Review Approval. Where the environmental review is not completed before HUD approval of the Development Proposal, HUD's letter approving the Development Proposal shall instruct the Grantee to refrain from undertaking, or obligating or expending funds on, physical activities or other choice-limiting actions, until HUD has completed the environmental review. The letter approving the Development Proposal also shall advise the Grantee that the Main Street Housing Plan may be modified based on the results of the environmental review.

(E) Environmental Certifications.

(1) Flood Hazards. The Grantee certifies neither the Project nor any property identified in the Main Street Housing Plan is located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards. HUD has relied on this certification in executing the Grant Agreement in order to comply with the Flood Disaster Protection Act of 1973 (42 U.S.C. § § 4001-4128). The Grantee will also ensure that no property that is hereafter identified for housing will be in an area identified by FEMA as having special flood hazards, unless:

(a) the community in which the housing is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

(b) flood insurance is obtained as a condition of approval of any demolition or disposition application.

(2) Coastal Barriers. The Grantee certifies that neither the Project nor any property identified in the Main Street Housing Plan is located in the Coastal Barrier Resources System. HUD has relied upon this certification in executing this Grant Agreement in order to comply with the Coastal Barrier Resources Act (16 U.S.C. § 3601). The Grantee also will ensure that no property that is hereafter identified for housing will be in the Coastal Barrier Resources System.

(3) Environmental Justice. The Grantee certifies that its Main Street Application was consistent with Environmental Justice Executive Order 12898 and acknowledges that HUD has relied upon this certification in executing the Grant Agreement. The Grantee will ensure that:

(a) the proposed housing under the Main Street Housing Plan will be developed only in environmentally sound and desirable locations that will avoid disproportionately high and adverse environmental effects on minority and low-income communities; and

(b) the proposed activities will not have the effect of:

(i) excluding persons (including populations) from participation in the program,

(ii) denying persons (including populations) the benefits of the program, or

(iii) subjecting persons (including populations) to discrimination because of their race, color, or national origin.

(4) Lead-Based Paint. The Grantee agrees to:

(a) Comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)) when providing housing assistance funding for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing.

(b) Inform clients, when required by regulation or policy, of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M) when providing education or counseling on buying or renting pre-1978 housing.

ARTICLE XIII Fair Housing Certifications

The following Federal Fair Housing requirements are applicable in the implementation of the Main Street Grant. The Grantee will comply with all of the applicable requirements of the following, as the same maybe amended from time to time, and any additional Fair Housing requirements that may become applicable to the Project:

(A) The Fair Housing Act (42 U.S.C. § § 3601-19) and regulations pursuant thereto 24 CFR part 100;

(B) Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);

(C) The fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);

(D) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;

(E) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. § § 6101-07) and regulations issued pursuant thereto (24 CFR part 146);

(F) The prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8);

(G) The Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 36; and

(H) The Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40).

(I) The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of any Federal grant awarded. It includes, but is not limited to, computers (hardware, software, word processing, email and web pages) facsimile machines, copiers and telephones. When developing, procuring, maintaining or using EIT, the Grantee must ensure that the EIT allows:

(1) Employees with disabilities to have access to and use information and data that is comparable to the access and use of data by employees who do not have disabilities; and

(2) Members of the public with disabilities seeking information or service from a grantee must have access to and use of information and data and comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose on a grantee, they may provide an alternative means to allow the individual to use the information and data. No grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.

ARTICLE XIV Building Standards and Design

(A) Sustainability of Units. Because the units that are the subject of this Grant Agreement are expected to be sustainable over the long term, the Grantee is encouraged to develop physical structures that serve the needs of housing residents over the long term and have the lowest possible life-cycle costs, taking into account future operating and replacement costs as well as original capital investments. Further, as indicated in HUD's FY2014- 2016 Strategic Plan (i.e., Goal 4) and the FY2016 General Section, sustainability is a policy priority of HUD. Recognizing the fundamental role that HUD's investments play in defining the physical form of communities and quality of life for residents, HUD encourages its grantees to help communities embrace a more sustainable future. To HUD, sustainability means, among other things (as indicated in the FY2016 General Section), that the land that we build on is clean or will be clean and the buildings we invest in are energy efficient and healthy. HUD encourages activities that actively promote sustainability through energy-efficient, environmentally-friendly, healthy design, including elements of visitability and universal design. HUD encourages among its grantees development that increases resource efficiency, reduces greenhouse gas emissions and promotes healthy living environments for residents.

(B) Construction Standards.

(1) Building Codes. All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local and State building codes, and Federal construction requirements, e.g., compliance with Fair Housing Act and Uniform Federal Accessibility Standards (UFAS) standards.

(2) Deconstruction. HUD encourages the Grantee to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or "deconstruction" of housing units, recycling of demolition debris, and reusing salvage materials in new construction.

(3) Energy Efficiency.

(a) New construction or rehabilitation must comply with the International Energy Conservation Code (IECC) 2012, or in the case of multifamily high rises, ASHRAE Standard 90.1-2013.

(b) Where local or State energy related building codes exceed the above standards, new construction and rehabilitation must comply with those local or State standards.

(c) The Grantee agrees that it must implement the commitments made in the NOFA Application concerning Energy Efficiency (Policy Priority), NOFA Priorities Rating Factor "Increase Energy Efficiency and the Health and Safety of Homes (Capital Investment and Planning NOFAs or as Specified in Individual Program NOFA), Energy Efficiency." For green programs that require third-party certification, the Grantee must provide evidence of such certification to HUD after construction of the units. For green programs that require self-certification, the Grantee must provide evidence of the self-certification to HUD before the Grantee begins construction of the units. For energy efficiency measures that do not require a green program certification, i.e., inclusion of energy star appliances only, the Grantee must provide a self-certification to HUD before the Grantee begins construction of the units.

(4) Universal Design. HUD encourages the Grantee to incorporate the principles of universal design in the construction or rehabilitation of housing, retail establishments, and community facilities, and when communicating with community residents at public meetings or events. Universal Design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent of Universal Design is to simplify life for everyone by making products, communications, and the built environment more usable by as many people as possible at little or no extra cost. Universal Design benefits people of all ages and abilities. Examples include installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them. HUD has a publication that contains a number of ideas about how the principles of Universal Design can benefit persons with disabilities. To order a copy of Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership, go to the publications and resource page of the HOPE VI website at https://www.huduser.gov/Publications/pdf/strategies.pdf .

(5) Visitability. HUD encourages the grantee to design as many visitable Main Street housing units as possible. The concept of Visitability does not offer a completely accessible house, but rather the opportunity for a disabled person to be able to egress to and from the home, upstairs, to go out for a meal at a public or private establishment and be able to fully partake in community activities and services, including transportation services. To help reach that goal, HUD encourages Main Street grantees to ensure that as many units as possible have walkways, pathways, entrances and exits and other doorways which permit free egress by persons with disabilities. HUD is also concerned that the interior design of housing units are free from barriers and allows persons with disabilities to be able to have access to kitchens and bathrooms without having to seek assistance. Housing that is accessible, attractive, affordable, and which welcomes disabled and aging Americans is an integral part of the healthy, sustainable communities that HUD is working to create. If there is a conflict between Universal Design principles and Fair Housing/UFAS, Fair Housing/UFAS controls.

ARTICLE XV Labor Standards

(A) Other Program Requirements. If other federal programs are used in connection with the Grantee's Main Street activities, Davis-Bacon requirements apply to the extent required by the other federal programs. If a Grantee provides funds from the Main Street Grant to a public housing agency to construct, rehabilitate, or otherwise assist affordable housing under the Main Street NOFA, Davis-Bacon wage rates will apply to laborers and mechanics (other than volunteers under 24 CFR part 70) employed in the development of such units, and HUD-determined wage rates will apply to laborers and mechanics (other than volunteers) employed in the operation of such units.

(B) Section 3. The Grantee will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135.

(C) Salary Cap. In accordance with Section 405 of the Consolidated Appropriations Act of 2005, no Main Street Grant funds may be used to pay (or provide reimbursement for payment of) the salary of a consultant (as opposed to a contractor) at more than the daily equivalent of the maximum rate paid to level IV of the Executive Schedule for Federal Employees.

ARTICLE XVI Conflict of Interest

(A) Prohibition. The Grantee shall comply with the conflict of interest requirements in 2 CFR 200.318. No person who is an employee, agent, officer, or elected or appointed official of the Grantee and who exercises or has exercised any functions or responsibilities with respect to activities assisted under this Main Street Grant, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

(B) HUD-Approved Exception.

(1) Standard. HUD may grant an exception to the exclusion in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Main Street and its effective and efficient administration.

(2) Procedure. HUD will consider granting an exception only after the Grantee has provided a disclosure of the nature of the conflict, accompanied by:

(a) an assurance that there has been public disclosure of the conflict;

(b) a description of how the public disclosure was made; and

(c) an opinion of the Grantee's attorney that the interest for which the exception is sought does not violate State or local laws.

(3) Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:

(a) whether the exception would provide a significant cost benefit or an essential degree of expertise to the Main Street Housing Plan that would otherwise not be available;

(b) whether an opportunity was provided for open competitive bidding or negotiation;

(c) whether the person affected is a member of a group or class intended to be the beneficiaries of the Main Street Housing Plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(d) whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process, with respect to the specific activity in question;

(e) whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;

(f) whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(g) any other relevant considerations.

ARTICLE XVII Reporting Requirements

(A) Quarterly Report.

(1) The Grantee will submit to HUD a Quarterly Report via HUD's HOPE VI/Mixed-Finance Grants Management System, or successor system, by the due dates established by HUD. The substance of the Quarterly Report will include, at a minimum:

(a) the Grant amount;

(b) the Grant Agreement execution date;

(c) the budget of Grant funds, by Budget Line Item;

(d) the amount of Grant funds authorized for expenditure, by Budget Line Item;

(e) the amount of Grant funds expended, by Budget Line Item;

(f) the Development Proposal submission date;

(g) the date that environmental approval is received from HUD;

(h) the date of closing of financing of the first construction phase or, if not applicable, the date of HUD approval of the Development Plan;

(i) the date of the start of construction of the first housing unit;

(j) the date of the completion of construction of the last housing unit;

(k) the date of first occupancy; and

(l) the date of submission of form HUD-53001-A, "Actual HOPE VI Cost Certificate."

(2) Failure to submit to HUD a timely Quarterly Report will result in a suspension of funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIX.

(B) Obligations and Expenditures. The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

(C) Additional Information Requests. Subject to paragraph (D) of this Article, the Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Main Street program. The Grantee will:

(1) Fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Main Street program; and

(2) Submit any post-closeout and post-revitalization reports, in the forms prescribed by HUD, for the period of years designated by HUD.

(D) Additional Requirements. The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Main Street program in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIX, HUD hereafter will not establish any additional terms and conditions without:

(1) Consideration of the burden imposed on the Grantee by such conditions or requirements;

(2) Consideration of the availability of less burdensome conditions or requirements; and

(3) In the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.

ARTICLE XVIII Technical Assistance

(A) Site Visits. The Grantee acknowledges and agrees that HUD, or its designees, may conduct site visits and inspections as deemed necessary by HUD based upon the Grantee's needs under the Main Street Housing Plan or the needs of the Main Street program. Technical assistance site visits may be provided by HUD or its designees:

(1) In response to requests from the Grantee;

(2) Based upon demonstrated needs of the Main Street program; or,

(3) As provided in paragraph (B) of this Article.

(B) HUD Assessment. HUD representatives will visit the Project and make an assessment of any technical assistance and/or training that the Grantee may require for the proper and effective implementation of the Main Street Housing Plan. HUD will consult with the Grantee in determining the Grantee's specific technical assistance and training needs, and will carry out subsequent on-site assessments as necessary.

(C) Technical Assistance Provider. If HUD determines, in its discretion, that technical assistance and/or training is necessary for the proper implementation of the Main Street Housing Plan, it will assign a technical assistance provider to work with the Grantee for this purpose.

(D) Grantee Training/TA. The Grantee agrees to use its best efforts to attend any training and to accept any technical assistance provided or sponsored by HUD.

ARTICLE XIX Unsatisfactory Performance/Default

(A) Special Conditions.

(1) General. HUD may require the Grantee, or any subgrantee, to comply with any or all of the following special conditions, in a manner satisfactory to HUD, if HUD determines that such action will assist in the proper and efficient implementation of the Main Street Housing Plan, regardless of whether the Grantee is in default under paragraph (B) of this Article.

(2) Types of Special Conditions. The special conditions that HUD may impose under paragraph (A)(1) of this Article include:

(a) withholding authority to proceed to the next phase of activities until it receives evidence from the Grantee of acceptable performance over such period of time as specified by HUD;

(b) requiring additional, more detailed financial reports;

(c) requiring additional Project monitoring;

(d) requiring the Grantee (or subgrantee) to obtain technical or management assistance;

(e) establishing additional prior approvals; and

(f) making arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities performed under the Main Street Housing Plan.

(3) Notice of Conditions. If HUD decides to impose any such conditions or restrictions upon the Grantee (or subgrantee), HUD will notify the Grantee (or subgrantee) in writing, as early as possible. Such notice will contain the following information:

(a) a description of the special conditions or restrictions;

(b) the nature of the unsatisfactory performance and the reason for imposing such special conditions or restrictions;

(c) the corrective actions which must be taken before the conditions or restrictions will be removed, and the time allowed for completing the corrective actions; and

(d) the method for requesting reconsideration of the conditions or restrictions imposed.

(B) Default. Each of the following events or occurrences, to the extent it constitutes a material breach of the Grant Agreement , may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:

(1) Use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;

(2) Failure to comply with the Main Street Requirements or any other Federal, State, or local laws, regulations or requirements applicable in implementing the Main Street Housing Plan;

(3) Failure to make any submission under Article II(B), perform any obligation, or otherwise fail to proceed in a manner consistent with the Main Street Housing Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);

(4) Any material misrepresentation in any of the required submissions, including, without limit, any misrepresentations in any of the submissions required by Article II(B);

(5) Failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement;

(6) Failure to adhere to the time periods for implementation under Article II(E); and

(7) Failure to demonstrate in its Main Street Housing Plan that the Grantee has made necessary and appropriate arrangements, through staffing and/or contracts, to implement its Main Street Housing Plan.

(C) Notice of Default and Action(s) to Cure.

(1) General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not able to be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of

the default notice. Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

(2) Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in compliance with its Program Schedule once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default (as described in paragraph (C)(5) of this Article), including specifically the deduction of funds from the Main Street Grant.

(3) Failure to Submit Development Proposal. Notwithstanding the provisions of subparagraph (C)(1) of this Article, if default is caused by failure to submit a Development Proposal acceptable to HUD within the time period required in Article II(E) of this Grant Agreement, HUD at its sole discretion may either:

(a) require the Grantee, within a time period established by HUD, to submit acceptable Development Proposal; or

(b) institute any of the remedies under paragraph (C)(5) of this Article, without any grace period.

(4) Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD determines, in HUD's sole discretion, that there is an imminent threat that the Grantee will expend additional Main Street Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(5)(d) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee.

(5) Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:

(a) require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD's approval thereto, and follow such revised Program Schedule to complete the activities under the Main Street Housing Plan;

(b) require the Grantee, within a time period established by HUD, to revise any activity under the Main Street Housing Plan in order to successfully complete the activities under the Main Street Housing Plan in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the HOPE VI Budget as necessary, and substitution of other eligible activities;

(c) require submission of additional documentation before any additional request for funds will be approved;

(d) temporarily suspend the Grantee's authority to draw down the Main Street Grant for affected activities, or at HUD's sole discretion for all activities, for not more than ninety (90) days, pending action to cure the defaults;

(e) restrict the Grantee's authority to draw down the Main Street Grant under LOCCS by prohibiting payment or reimbursement for all grant activities or, if more appropriate (in HUD's sole discretion), only for those activities affected by the default, for an unspecified period of time pending final action by HUD;

(f) disallow use of the Main Street Grant for all or part of the cost of the activity or action not in compliance;

(g) recover from the Grantee amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;

(h) require reimbursement by the Grantee for the Main Street Grant determined by HUD to have been improperly expended;

(i) require the Grantee to pay monetary fines in an amount determined by HUD. These fines may be in the form of deductions from the Main Street Grant; and

(j) make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities assisted under the Main Street Housing Plan.

(6) Additional Enforcement Actions. If HUD determines that the remedial actions taken by HUD under paragraph (C)(5) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(5) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):

(a) petition for the appointment of a receiver (which may be a public housing agency, a private management corporation, or some other entity) for the Project to any district court of the United States or to any court of the State in which the Project is located;

(b) reduce the Main Street Grant in the amount affected by the default;

(c) terminate the Main Street Grant as to all further activities and initiate closeout procedures;

(d) recapture any funds provided under the Main Street Grant not obligated by the Grantee.

(i) if the basis for the Grantee's default is its failure to comply with the reasonable time periods established by HUD under Article II(E), HUD shall, in accordance with section 24 of the 1937 Act, and unless otherwise approved by HUD under Article

XIX(C)(6)(d)(ii), recapture any portion of the Main Street Grant not obligated by the Grantee.

(ii) if the Grantee fails to comply with the reasonable time periods established in Article II(E), HUD may take into account whether factors beyond the Grantee's control are the cause of the delay.

(e) take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and

(f) take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under the Grant Agreement.

ARTICLE XX Project Close-Out

(A) Main Street Affordable Housing Units in a Larger Development. In the event that the Development Proposal includes a number of units in excess of those that will be funded by this Main Street Grant, construction for this grant will be considered complete by HUD after HUD receives a Certificate of Occupancy, or equivalent local document, for the number and mix of units funded by this Main Street Grant, in addition to other documentation required by this Grant Agreement.

(B) Termination of Disbursements Letter. Within 90 days after completion of all Main Street Grant funded activities, the Grantee will initiate close-out, in accordance with procedures established by HUD, by submitting a Termination of Disbursements letter, which states that:

(1) The Grantee has completed all activities to be performed using the Main Street Grant;

(2) All requirements of the Grant Agreement have been met;

(3) All obligated funds provided under the Main Street Grant have been disbursed;

(4) The Grantee will abide by any continuing Federal requirements; and

At HUD's option, the Grantee may delay initiation of close-out until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.

(C) Preliminary Closeout Materials. The Grantee must submit the following Preliminary Close-Out Materials along with the Termination of Disbursements Letter:

(1) A Final HOPE VI Budget;

(2) A Final Financial Status Report (Form SF-425), which contains a cumulative summary of all expenditures and indicates the balance of unexpended funds; and

(3) An Actual HOPE VI Cost Certificate (AHCC) (Form HUD-53001-A), which summarizes the information on the Financial Status Report and serves as the document that officially closes out the grant.

(4) The Certificate of Occupancy, or local equivalent, for each Main Street affordable housing unit.

(D) HUD Review of Preliminary Close-Out Materials. HUD will review Preliminary Close-Out Materials to confirm that:

(1) The amounts on the final HOPE VI Budget and AHCC agree as to funds approved, obligated and expended.

(2) The amount of funds approved and disbursed on the AHCC agrees with HUD records in LOCCS.

(3) If HUD disbursed more funds that the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.

(E) Final Audit. Following HUD approval of the Preliminary Close-Out Materials, the Grantee must conduct a final audit of the Main Street Grant in accordance with the requirements of 2 CFR 200, Subpart F and forward the audit to HUD for approval.

(F) AHCC. Upon receipt of the final audit, the designated HUD official will execute the AHCC once HUD determines to its satisfaction that:

(1) The expenditure of funds provided under this Grant Agreement was allowable and reasonable, as determined by the final audit;

(2) The activities to be completed using Main Street Grant funds were completed, as required by the Grant Agreement; and

(3) All Federal requirements were satisfied.

(G) Final Close-Out. Following execution of the AHCC, any funds remaining in the Main Street Grant will be recaptured by HUD. A Post-Audit Date will be entered into LOCCS and the grant will be closed.

ARTICLE XXI Effective date

The effective date of this agreement is the date that HUD executes the form HUD-1044, Assistance Award/Amendment, which will become the cover page to this Grant Agreement.

Agenda Item 7.c.i.
July 26, 2021
Prepared by Jason Muninger, CFO/City Clerk
Accounting and Finance

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Receipt of Interim Financials for the twelve months ending June 30, 2021.

Attachments:
Interim Financials for June 30, 2021

II. STAFF COMMENTS AND ANALYSIS

Staff has prepared the condensed Interim Financial Statements for June 2021; these should provide sufficient information for the City Council to perform its fiduciary responsibility. All supplementary, detailed information is available for the Council's use at any time upon request. All information is subject to change pending audit.

III. RECOMMENDED ACTION

Staff recommends the approval the Interim Financials for June 30, 2021.

REPORT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

For The Twelve Months Ended June 30, 2021

CITY COUNCIL

Ward 1 - Dale Copeland, Mayor
Ward 2 - Paul Stuart
Ward 3 - Jim Curd, Vice Mayor
Ward 4 - Billie Roane
Ward 5 - Trevor Dorsey

City Manager
Mike Bailey

Prepared by:

Jason Muninger
Finance Director

Alicia Shelton
Accountant

Meghan Snead
Accountant

TABLE OF CONTENTS

HIGHLIGHTS

MAJOR FUNDS:

GENERAL FUND
WASTEWATER OPERATING/BMA WASTEWATER FUNDS
WATER OPERATING/BMA WATER FUNDS
SANITATION

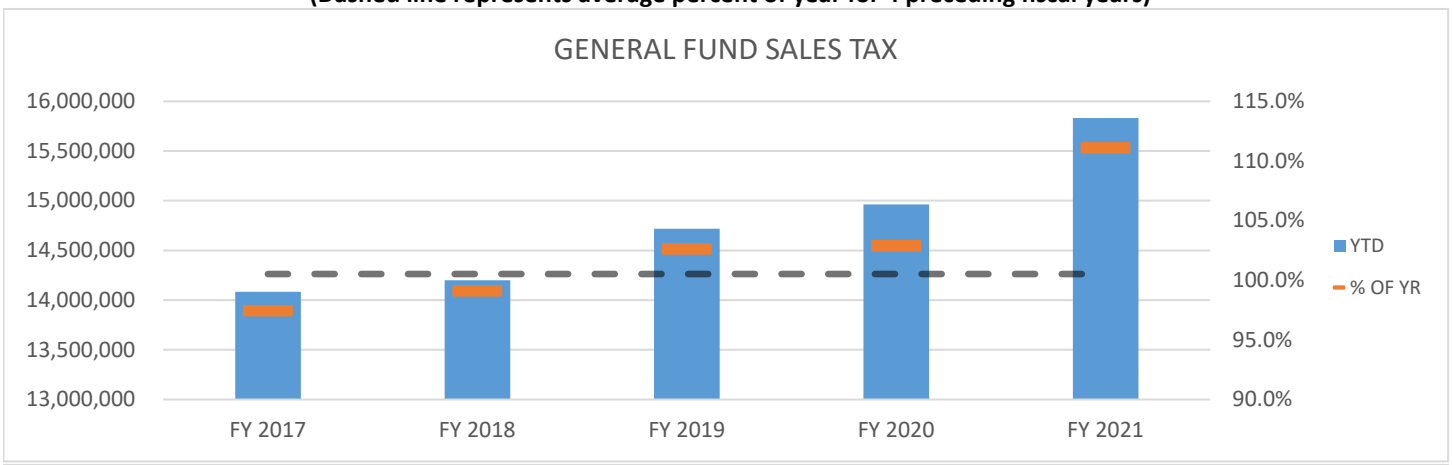
OTHER FUNDS:

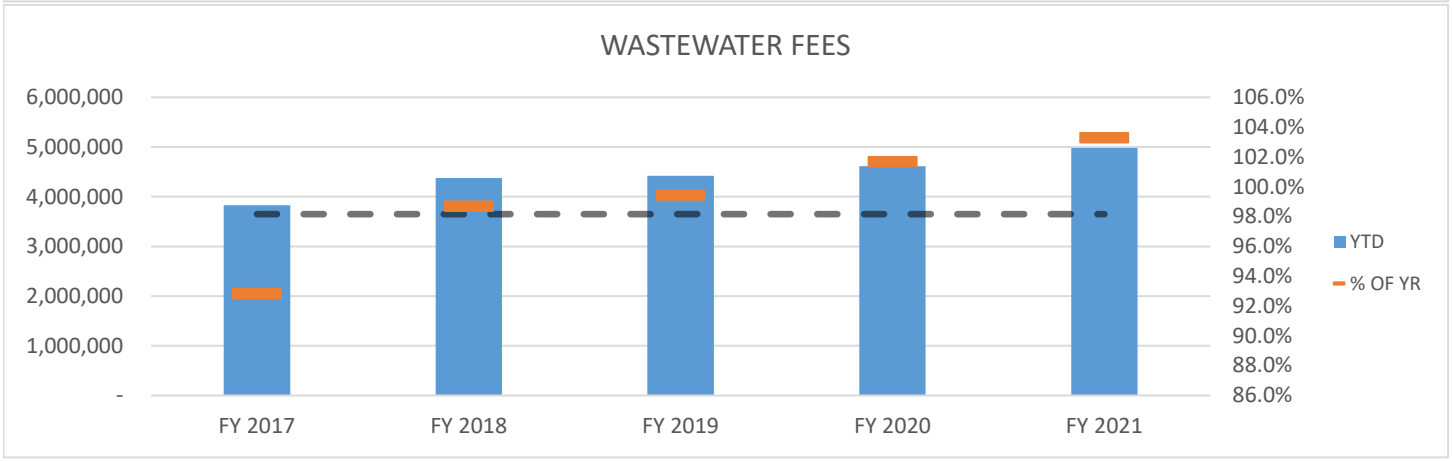
REVENUE BUDGET STATUS
EXPENDITURE BUDGET STATUS
CHANGE IN FUND BALANCE

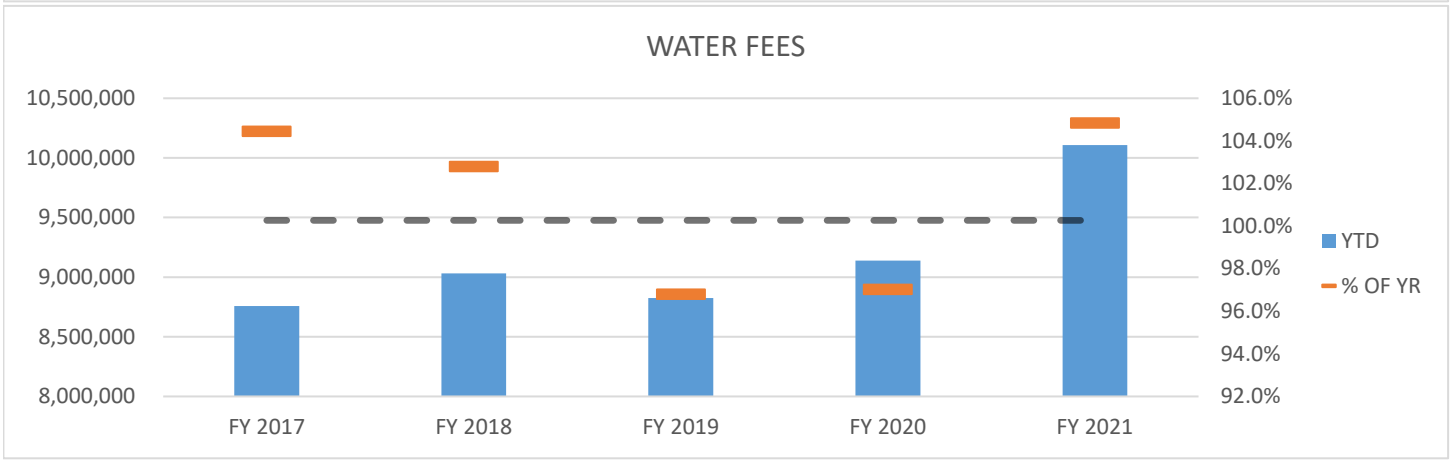
EXPLANATORY MEMO

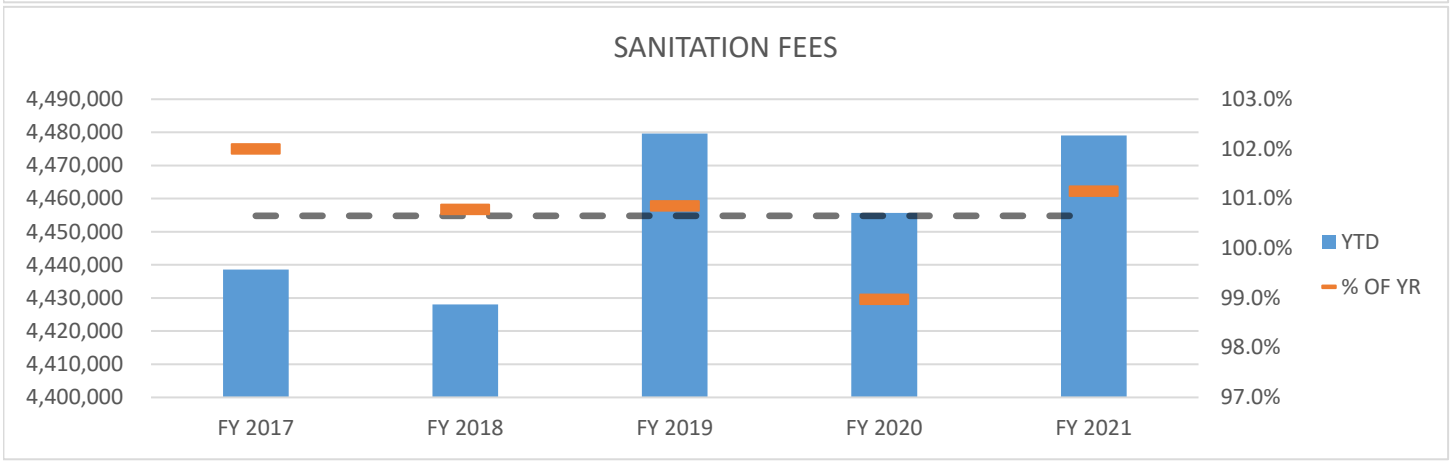
FINANCIAL STATEMENT REVENUE HIGHLIGHTS

(Dashed line represents average percent of year for 4 preceding fiscal years)









GENERAL FUND

Statement of Revenue, Expenditures, and Changes in Fund Balances

100% of Year Lapsed

	2020-21 Fiscal Year						2019-20 Fiscal Year	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total	% of Budget	YTD Total	% Total Year
Revenue:								
Sales Tax	$ 14,249,480	$ 14,249,480	$ 15,819,184	$ -	$ 15,819,184	111.0%	$ 14,856,897	100.0%
Gross Receipt Tax	1,437,700	1,437,700	1,240,840	-	1,240,840	86.3%	1,345,070	100.0%
Licenses and Permits	218,700	218,700	227,510	-	227,510	104.0%	214,577	100.0%
Intergovernmental	3,489,488	3,489,488	3,482,245	-	3,482,245	99.8%	709,694	100.0%
Charges for Services	435,400	435,400	507,693	-	507,693	116.6%	452,443	100.0%
Court Costs	168,000	168,000	126,444	-	126,444	75.3%	158,639	100.0%
Police/Traffic Fines	550,000	550,000	512,859	-	512,859	93.2%	525,246	100.0%
Parking Fines	81,000	81,000	62,730	-	62,730	77.4%	63,055	100.0%
Other Fines	87,700	87,700	66,013	-	66,013	75.3%	76,137	100.0%
Investment Income	100,000	100,000	166,438	-	166,438	166.4%	717,739	100.0%
Miscellaneous Income	261,700	261,700	621,022	-	621,022	237.3%	372,471	100.0%
Transfers In	4,872,210	4,872,210	4,872,210	-	4,872,210	100.0%	4,553,111	100.0%
Total	**$ 25,951,378**	**$ 25,951,378**	**$ 27,705,188**	**$ -**	**$ 27,705,188**	**106.8%**	**$ 24,045,078**	**100.0%**
Expenditures:								
General Government	$ 7,113,294	$ 7,113,294	$ 6,750,561	$ 358,596	$ 7,109,157	99.9%	$ 6,525,878	100.0%
Public Safety	12,399,783	12,399,783	11,995,933	56,592	12,052,525	97.2%	11,988,553	100.0%
Street	1,566,076	1,566,076	1,431,533	67,433	1,498,966	95.7%	1,445,963	100.0%
Culture and Recreation	2,949,105	2,949,105	2,699,784	63,573	2,763,357	93.7%	2,737,993	100.0%
Transfers Out	2,949,309	2,949,309	2,949,309	-	2,949,309	100.0%	1,666,073	100.0%
Reserves	1,374,606	1,374,606	-	-	-	0.0%	-	N.A.
Total	**$ 28,352,173**	**$ 28,352,173**	**$ 25,827,120**	**$ 546,194**	**$ 26,373,314**	**93.0%**	**$ 24,364,460**	**100.0%**
Changes in Fund Balance:								
Fund Balance 7/1			$ 2,633,642					
Net Revenue (Expense)			1,878,068					
Ending Fund Balance			**$ 4,511,710**					

COMBINED WASTEWATER OPERATING & BMA WASTEWATER FUNDS

Statement of Revenue, Expenditures, and Changes in Fund Balances

100% of Year Lapsed

	2020-21 Fiscal Year						2019-20 Fiscal Year	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total	% of Budget	YTD Total	% Total Year
Revenue:								
Wastewater Fees	$ 4,828,725	$ 4,828,725	$ 4,985,219	$ -	$ 4,985,219	103.2%	$ 4,617,596	100.0%
Investment Income	-	-	166	-	166	N.A.	-	N.A.
Debt Proceeds	-	-	-	-	-	N.A.	-	N.A.
Miscellaneous	38,665	38,665	20,357	-	20,357	52.6%	63,394	100.0%
Total	**$ 4,867,390**	**$ 4,867,390**	**$ 5,005,742**	**$ -**	**$ 5,005,742**	**102.8%**	**$ 4,680,990**	**100.0%**
Expenditures:								
Wastewater Plant	$ 2,484,058	$ 2,484,058	$ 2,458,841	$ 2,687	$ 2,461,528	99.1%	$ 2,456,275	100.0%
Wastewater Maint	868,218	868,218	632,614	20,927	653,541	75.3%	690,398	100.0%
BMA Expenses	29,500	29,500	-	-	-	0.0%	28,292	98.8%
Transfers Out	1,440,164	1,440,164	1,440,164	-	1,440,164	100.0%	1,345,686	100.0%
Reserves	77,423	77,423	-	-	-	0.0%	-	N.A.
Total	**$ 4,899,363**	**$ 4,899,363**	**$ 4,531,619**	**$ 23,614**	**$ 4,555,233**	**93.0%**	**$ 4,520,651**	**100.0%**
Changes in Fund Balance:								
Fund Balance 7/1			$ 425,922					
Net Revenue (Expense)			474,123					
Ending Fund Balance			**$ 900,045**					

COMBINED WATER OPERATING & BMA WATER FUNDS

Statement of Revenue, Expenditures, and Changes in Fund Balances

100% of Year Lapsed

	2020-21 Fiscal Year						2019-20 Fiscal Year	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total	% of Budget	YTD Total	% Total Year
Revenue:								
Water Fees	$ 9,675,588	$ 9,675,588	$ 10,512,469	$ -	$ 10,512,469	108.6%	$ 9,490,514	104.3%
Investment Income	-	-	5,582	-	5,582	N.A.	19,183	304.0%
Debt Proceeds	-	-	-	-	-	N.A.	-	N.A.
Miscellaneous	5,000	5,000	1,010	-	1,010	20.2%	958	9.7%
Total	**$ 9,680,588**	**$ 9,680,588**	**$ 10,519,061**	**$ -**	**$ 10,519,061**	**108.7%**	**$ 9,510,655**	**104.4%**
Expenditures:								
Water Plant	$ 2,939,451	$ 2,939,451	$ 2,345,659	$ 434,763	$ 2,780,422	94.6%	$ 2,262,923	87.5%
Water Administration	351,656	351,656	326,294	11,358	337,652	96.0%	331,661	99.5%
Water Distribution	1,696,900	1,696,900	1,291,417	58,280	1,349,697	79.5%	1,412,360	111.3%
BMA Expenses	3,026,408	3,026,408	106,298	-	106,298	3.5%	2,996,521	101.4%
Transfers Out	2,238,997	2,238,997	2,238,997	-	2,238,997	100.0%	2,095,829	125.6%
Reserves	152,885	152,885	-	-	-	0.0%	-	N.A.
Total	**$ 10,406,297**	**$ 10,406,297**	**$ 6,308,665**	**$ 504,401**	**$ 6,813,066**	**65.5%**	**$ 9,099,294**	**103.3%**
Changes in Fund Balance:								
Fund Balance 7/1			$ 2,920,365					
Net Revenue (Expense)			4,210,396					
Ending Fund Balance			**$ 7,130,761**					

SANITATION FUND

Statement of Revenue, Expenditures, and Changes in Fund Balances

100% of Year Lapsed

	2020-21 Fiscal Year						2019-20 Fiscal Year	
	Total Budget	YTD Budget	YTD Actual	YTD Encum	YTD Total	% of Budget	YTD Total	% Total Year
Revenue:								
Collection Fees	$ 4,427,992	$ 4,427,992	$ 4,393,558	$ -	$ 4,393,558	99.2%	$ 4,367,465	100.0%
Investment Income	-	-	-	-	-	N.A.	4,877	100.0%
Miscellaneous	137,006	45,669	139,458	-	139,458	101.8%	133,085	100.0%
Transfers In	25,217	25,217	25,217	-	25,217	100.0%	-	N.A.
Total	**$ 4,590,215**	**$ 4,498,878**	**$ 4,558,233**	**$ -**	**$ 4,558,233**	**99.3%**	**$ 4,505,426**	**100.0%**
Expenditures:								
Sanitation	$ 3,022,751	$ 3,022,751	$ 2,853,899	$ 86,632	$ 2,940,531	97.3%	$ 2,905,836	100.0%
Transfers Out	1,760,615	1,760,615	1,760,615	-	1,760,615	100.0%	2,210,489	100.0%
Reserves	108,677	108,677	-	-	-	0.0%	-	N.A.
Total	**$ 4,892,043**	**$ 4,892,043**	**$ 4,614,514**	**$ 86,632**	**$ 4,701,146**	**96.1%**	**$ 5,116,325**	**100.0%**
Changes in Fund Balance:								
Fund Balance 7/1			$ 239,847					
Net Revenue (Expense)			(56,281)					
Ending Fund Balance			**$ 183,566**					

ALL OTHER FUNDS

Revenue Budget Report - Budget Basis

100% of Year Lapsed

	Budget	Actuals	Percent of Budget
Special Revenue Funds:			
Economic Development Fund	1,552,891	1,645,487	106%
E-911 Fund	1,026,118	1,042,942	102%
Special Library Fund	97,100	154,304	159%
Special Museum Fund	-	26,180	N/A
Municipal Airport Fund	-	971	N/A
Harshfield Library Donation Fund	-	2,166	N/A
Restricted Revenue Fund	510,000	523,389	103%
Golf Course Memorial Fund	-	9,634	N/A
Justice Assistance Grant Fund	-	-	N/A
Neighborhood Park Fund	-	324	N/A
Cemetery Care Fund	1,200	2,839	237%
Debt Service Fund	4,137,025	4,107,088	99%
Capital Project Funds:			
Sales Tax Capital Improvement Fund	2,821,281	3,076,627	109%
Park Capital Improvement Fund	-	-	N/A
Wastewater Capital Improvement Fund	-	9,540	N/A
Wastewater Regulatory Capital Fund	-	2,662	N/A
City Hall Capital Improvement Fund	5,000	11,597	232%
Storm Drainage Capital Improvement Fund	-	6,695	N/A
Community Development Block Grant Fund	-	78,882	N/A
2008B G.O. Bond Fund	-	-	N/A
2009 G.O. Bond Fund	-	-	N/A
2010 G.O. Bond Fund	-	-	N/A
2012 G.O. Bond Fund	-	-	N/A
2014 G.O. Bond Fund	-	-	N/A
2014B G.O. Bond Fund	-	-	N/A
2015 G.O. Bond Fund	-	-	N/A
2017 G.O. Bond Fund	-	-	N/A
2018A G.O. Bond Fund	-	-	N/A
2018B G.O. Bond Fund	-	-	N/A
2018C G.O. Bond Fund	-	-	N/A
2019A G.O. Bond Fund	-	-	N/A
2019B G.O. Bond Fund	-	-	N/A
Proprietary Funds:			
Adams Golf Course Operating Fund	458,830	518,162	113%
Sooner Pool Operating Fund	37,360	38,378	103%
Frontier Pool Operating Fund	35,806	42,345	118%
Internal Service Funds:			
Worker's Compensation Fund	150,966	151,701	100%
Health Insurance Fund	3,396,098	3,191,555	94%
Auto Collision Insurance Fund	75,000	102,492	137%
Stabilization Reserve Fund	1,813,461	1,813,461	100%
Capital Improvement Reserve Fund	12,100,000	4,500,052	37%
Mausoleum Trust Fund	-	28	N/A

ALL OTHER FUNDS

Expenditure Budget Report - Budget Basis

100% of Year Lapsed

	Budget	Actuals	Percent of Budget
Special Revenue Funds:			
Economic Development Fund	3,069,247	1,088,516	35%
E-911 Fund	1,090,671	1,025,886	94%
Special Library Fund	195,272	169,524	87%
Special Museum Fund	40,500	25,228	62%
Municipal Airport Fund	279,033	2,271	1%
Harshfield Library Donation Fund	659,077	55,544	8%
Restricted Revenue Fund	944,557	740,084	78%
Golf Course Memorial Fund	10,130	4,479	44%
Justice Assistance Grant Fund	2,778	2,760	99%
Neighborhood Park Fund	14,659	-	0%
Cemetery Care Fund	8,538	400	5%
Debt Service Fund	4,136,725	4,071,975	98%
Capital Project Funds:			
Sales Tax Capital Improvement Fund	7,786,873	4,126,099	53%
Park Capital Improvement Fund	-	-	N/A
Wastewater Capital Improvement Fund	125,008	38,462	31%
Wastewater Regulatory Capital Fund	825,117	241,586	29%
City Hall Capital Improvement Fund	18,898	792	4%
Storm Drainage Capital Improvement Fund	101,244	8,232	8%
Community Development Block Grant Fund	78,822	78,822	100%
2008B G.O. Bond Fund	88	88	100%
2009 G.O. Bond Fund	2,636	2,636	100%
2010 G.O. Bond Fund	410	410	100%
2012 G.O. Bond Fund	106,472	-	0%
2014 G.O. Bond Fund	73,351	-	0%
2014B G.O. Bond Fund	26,634	24,239	91%
2015 G.O. Bond Fund	13,011	-	0%
2017 G.O. Bond Fund	308,617	190,882	62%
2018A G.O. Bond Fund	4,635,757	4,531,005	98%
2018B G.O. Bond Fund	448,618	396,969	88%
2018C G.O. Bond Fund	1,593,070	772,626	48%
2019A G.O. Bond Fund	1,866,599	1,254,129	67%
2019B G.O. Bond Fund	546,570	165,682	30%
Proprietary Funds:			
Adams Golf Course Operating Fund	545,707	497,649	91%
Sooner Pool Operating Fund	62,806	55,982	89%
Frontier Pool Operating Fund	81,850	70,280	86%
Internal Service Funds:			
Worker's Compensation Fund	425,000	143,731	34%
Health Insurance Fund	3,971,873	3,849,808	97%
Auto Collision Insurance Fund	337,407	46,931	14%
Stabilization Reserve Fund	8,299,745	-	0%
Capital Improvement Reserve Fund	17,650,814	7,208,730	41%
Mausoleum Trust Fund	8,323	400	5%

ALL OTHER FUNDS

Fund Balance Report - Modified Cash Basis

100% of Year Lapsed

	Beginning of Year	Change	Current
Special Revenue Funds:			
Economic Development Fund	1,692,083	556,971	2,249,054
E-911 Fund	47,706	17,056	64,762
Special Library Fund	290,799	(12,825)	277,974
Special Museum Fund	123,005	952	123,957
Municipal Airport Fund	287,928	(1,300)	286,628
Harshfield Library Donation Fund	672,039	(44,378)	627,661
Restricted Revenue Fund	444,922	(70,949)	373,973
Golf Course Memorial Fund	6,739	5,155	11,894
Justice Assistance Grant Fund	5,894	(2,760)	3,134
Neighborhood Park Fund	15,073	324	15,397
Cemetery Care Fund	7,884	2,439	10,323
Debt Service Fund	3,485,463	35,113	3,520,576
Capital Project Funds:			
Sales Tax Capital Improvement Fund	4,655,289	695,897	5,351,186
Park Capital Improvement Fund	-	-	-
Wastewater Capital Improvement Fund	145,750	(28,922)	116,828
Wastewater Regulatory Capital Fund	805,433	2,662	808,095
City Hall Capital Improvement Fund	42,250	10,805	53,055
Storm Drainage Capital Improvement Fund	53,499	(1,537)	51,962
Community Development Block Grant Fund	140,372	60	140,432
2008B G.O. Bond Fund	88	(88)	-
2009 G.O. Bond Fund	2,636	-	2,636
2010 G.O. Bond Fund	410	-	410
2012 G.O. Bond Fund	106,472	-	106,472
2014 G.O. Bond Fund	7,686	-	7,686
2014B G.O. Bond Fund	28,125	(24,239)	3,886
2015 G.O. Bond Fund	12,444	-	12,444
2017 G.O. Bond Fund	260,171	(155,334)	104,838
2018A G.O. Bond Fund	4,576,602	(4,448,437)	128,165
2018B G.O. Bond Fund	448,618	(156,325)	292,293
2018C G.O. Bond Fund	1,544,205	(772,626)	771,579
2019A G.O. Bond Fund	1,869,187	(1,145,833)	723,354
2019B G.O. Bond Fund	546,570	(148,853)	397,717
Proprietary Funds:			
Adams Golf Course Operating Fund	75,394	53,531	128,925
Sooner Pool Operating Fund	18,764	(14,573)	4,191
Frontier Pool Operating Fund	35,351	(23,424)	11,927
Internal Service Funds:			
Worker's Compensation Fund	256,782	14,067	270,848
Health Insurance Fund	669,840	(655,140)	14,700
Auto Collision Insurance Fund	332,510	94,936	427,446
Stabilization Reserve Fund	7,525,967	1,813,461	9,339,428
Capital Improvement Reserve Fund	10,390,548	982,332	11,372,880
Mausoleum Trust Fund	8,500	(372)	8,128

FROM: Jason Muninger, CFO/City Clerk

SUBJECT: Financial Statement Explanatory Information

GENERAL INFORMATION

The purpose of this memo is to provide some insight as to the construction of the attached financial statements and to provide some guidance as to their use.

The format of the attached financial statements is intended to highlight our most important revenue sources, provide sufficient detail on major operating funds, and provide a high level overview of all other funds. The level of detail presented is sufficient to assist the City Council in conducting their fiduciary obligations to the City without creating a voluminous document that made the execution of that duty more difficult.

This document provides three different types of analyses for the Council's use. The first is an analysis of revenue vs budgeted expectations. This allows the Council to see how the City's revenues are performing and to have a better idea if operational adjustments are necessary.

The second analysis compares expenditures to budget. This allows the Council to ensure that the budgetary plan that was set out for the City is being followed and that Staff is making the necessary modifications along the way.

The final analysis shows the fund balance for each fund of the City. This is essentially the "cash" balance for most funds. However, some funds include short term receivables and payables depending on the nature of their operation. With very few exceptions, all funds must maintain positive fund balance by law. Any exceptions will be noted where they occur.

These analyses are presented in the final manner:

> Highlights:
> The Highlights section presents a 5 year snap shot of the performance of the City's 4 most important revenue sources. Each bar represents the actual amounts earned in each year through the period of the report. Each dash represents the percent of the year's revenue that had been earned through that period. The current fiscal year will always represent the percent of the budget that has been earned, while all previous fiscal years will always represent the percent of the actual amount earned. This analysis highlights and compares not only amounts earned, but gives a better picture of how much should have been earned in order to meet budget for the year.

Major Operating Funds:

The City's major operating funds are presented in greater detail than the remainder of the City's funds. These funds include the General, Wastewater Operating, BMA – Wastewater, Water Operating, BMA – Water, and Sanitation. Due to the interrelated nature of the Wastewater Operating/BMA – Wastewater and the Water Operating/BMA – Water funds, these have been combined into Wastewater Combined and Water Combined funds. This should provide a better picture of the overall financial condition of these operating segments by combining revenues, operating expenses, and financing activities in a single report.

Other Funds:

All other funds of the City are reported at a high level. These funds are often created for a limited purpose, limited duration, and frequently contain only a one-time revenue source. This high level overview will provide Council with sufficient information for a summary review. Any additional information that is required after that review is available.

These condensed financial statement should provide sufficient information for the City Council to perform its fiduciary responsibility while simplifying the process. All supplementary, detailed information is available for the Council's use at any time upon request. Additionally, any other funds that the Council chooses to classify as a Major Operating fund can be added to that section to provide greater detail in the future.

Agenda Item 8.
July 28, 2021
Prepared by Greg Collins
Community Development Department

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

A public hearing on and consideration of a petition for annexation of a 10 acre, more or less, tract of land legally described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma, located in the northeast corner of the Price Fields Sports Complex.

Attachments:

Exhibit A: Map of the Property
Exhibit B: Ordinance
Exhibit C: Notice
Exhibit D: Petition

II. STAFF COMMENTS AND ANALYSIS

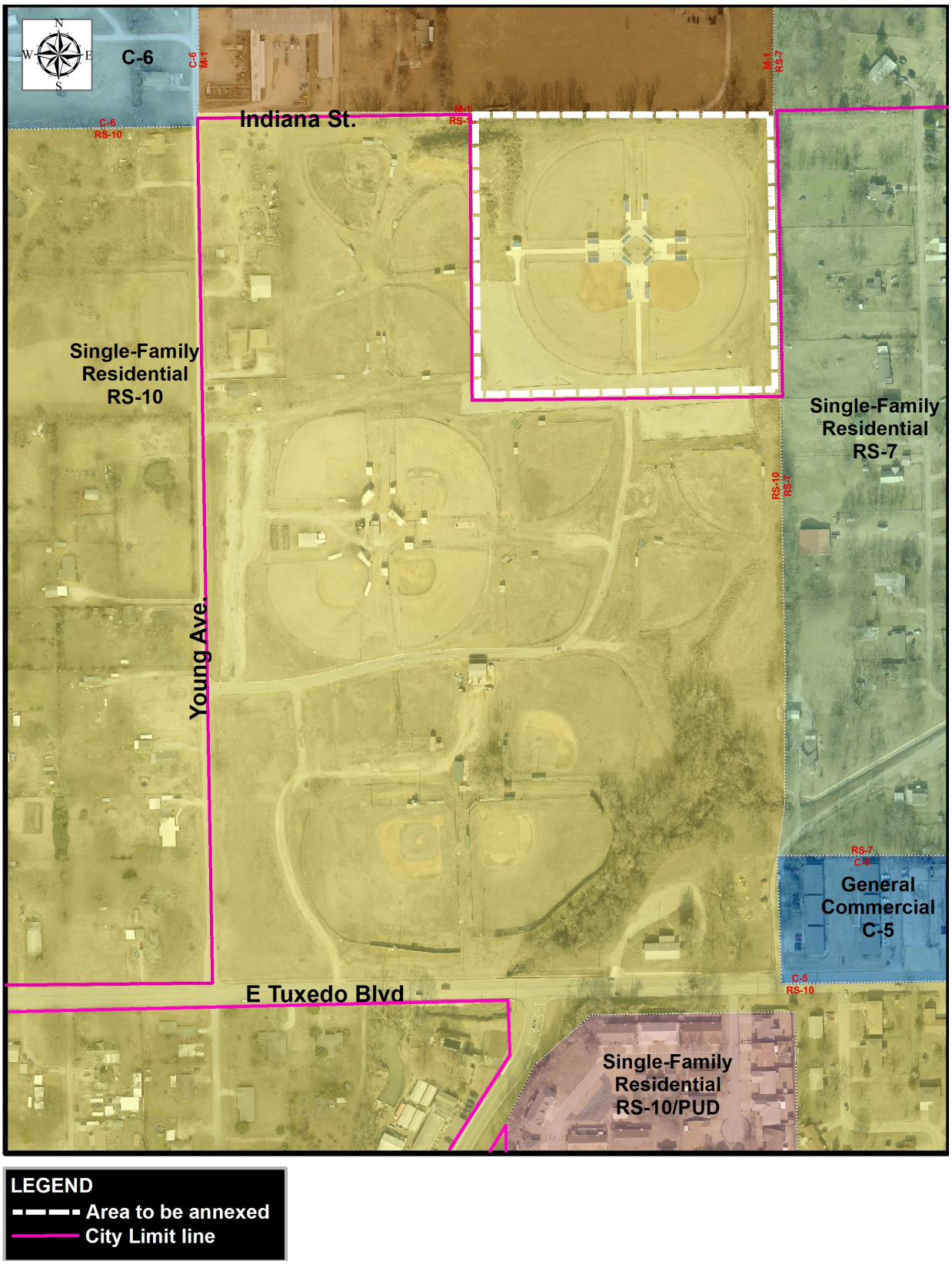
The City of Bartlesville owns 10 acres located in the northeast corner of the Price Fields Sports Complex. Its current use is for four ball fields and associated lighting, structures, and parking. The property was conveyed to the City from Washington County in February 2010 for the purpose of continued use for baseball and softball. The property adjoins property to the east, south, and west that is already included in the Bartlesville city limits, as shown in Exhibit A.

Oklahoma State Law permits the governing body to annex by ordinance any territory adjacent or contiguous to the city with the written consent of the owners of a majority of the acres to be annexed. As the City of Bartlesville is the owner of all of the land included in the proposed annexation, the City Council can approve the proposed annexation. A public hearing to consider this annexation has been scheduled for City Council consideration at its August 2 meeting. Notice of this annexation request has been provided as required by Oklahoma state law. Attached for Council consideration at Exhibit B is an ordinance which, if adopted, would extend the corporate City limits to include these 10 acres, designate this area as part of Ward 4, and retain the current zoning of the area as RS-10 Residential Single-Family 10. This zoning was in place since at least July 14, 1966 under the jurisdiction of the former city-county cooperative planning commission, Metropolitan Area Planning Commission (MAPC).

III. RECOMMENDED ACTION

The City Council is requested to hold a public hearing on and consider the petition for annexation of a 10 acre, more or less, tract of land legally described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma, located in the northeast corner of the Price Fields Sports Complex.

Exhibit A



N
W
E
S
C-6
C-6
M-1
M-1
RS-7
Indiana St.
C-6
RS-10
M-1
RS-1
Single-Family
Residential
RS-10
Single-Family
Residential
RS-7
RS-10
RS-7
Young Ave.
RS-7
C-5
General
Commercial
C-5
C-5
RS-10
E Tuxedo Blvd
Single-Family
Residential
RS-10/PUD
LEGEND
Area to be annexed
City Limit line

Exhibit B

ORDINANCE NO. _____

AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE CITY OF BARTLESVILLE, OKLAHOMA, AND DESIGNATING THE AREA INCLUDED IN SUCH EXTENSION; DESIGNATING THE WARD NUMBER AND ZONING OF SUCH AREA; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING THAT IF ANY PART OF PARTS HEREOF BE HELD INVALID OR INEFFECTIVE, THE REMAINING PORTIONS SHALL NOT BE AFFECTED.

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

Section 1. That the corporate limits of the City of Bartlesville, Oklahoma, shall be and the same are hereby extended to include 10 acres, more or less, lying in Section 5, Township 26 North, Range 13 East, Washington County, Oklahoma, legally described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma.

Section 2. That the Council finds that the above described area is adjacent and contiguous to the present Corporate Limits of said City, and that such annexation has been requested by the owner of the acres to be annexed to the municipality; and that the annexation of said area would redound to the benefit of the City; and that the annexation of said area is authorized by the Statutes of the State of Oklahoma.

Section 3. That said above described area is hereby made a part of Ward 4 of the City of Bartlesville, Oklahoma, and said area is hereby zoned RS-10, Single-Family Residential.

Section 4. If any part or parts hereof be held invalid or ineffective, the remaining portions shall not be affected.

Section 5. This ordinance shall be effective from and after its passage.

PASSED by the City Council and **APPROVED** by the Mayor of the City of Bartlesville, Oklahoma this 2nd day of August, 2021.

_____

Dale Copeland, Mayor

ATTEST:

_____

Jason Muninger, City Clerk

Exhibit C

(Published in the Bartlesville, (Okla.) Examiner-Enterprise on Sunday, July 11, 2021 and July 18, 2021.)

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

NOTICE OF FILING PETITION FOR ANNEXATION AND PUBLIC HEARING

TAKE NOTICE that the CITY OF BARTLESVILLE has filed in the Office of the City Clerk a Petition for Annexation of certain real property described as follows:

10 acres, more or less, lying in Section 5, Township 26 North, Range 13 East, Washington County, Oklahoma, described as follows:

The Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma.

The undersigned Deputy City Clerk has determined that said Petition is sufficient and in accordance with law, and declares that the hearing on said Petition is set before the Bartlesville City Council on the 2nd day of August, 2021, at 7:00 PM, in the City Council Chambers of City Hall, 401 S. Johnstone Avenue, Bartlesville, Oklahoma.

All parties interested in the above matter are hereby notified that they may appear at said hearing on the date hereinabove stated and make known their desires.

Dated this 1st day of July, 2021.

CITY OF BARTLESVILLE OFFICIAL SEAL OKLAHOMA

Elaine Banes, Deputy City Clerk
City of Bartlesville

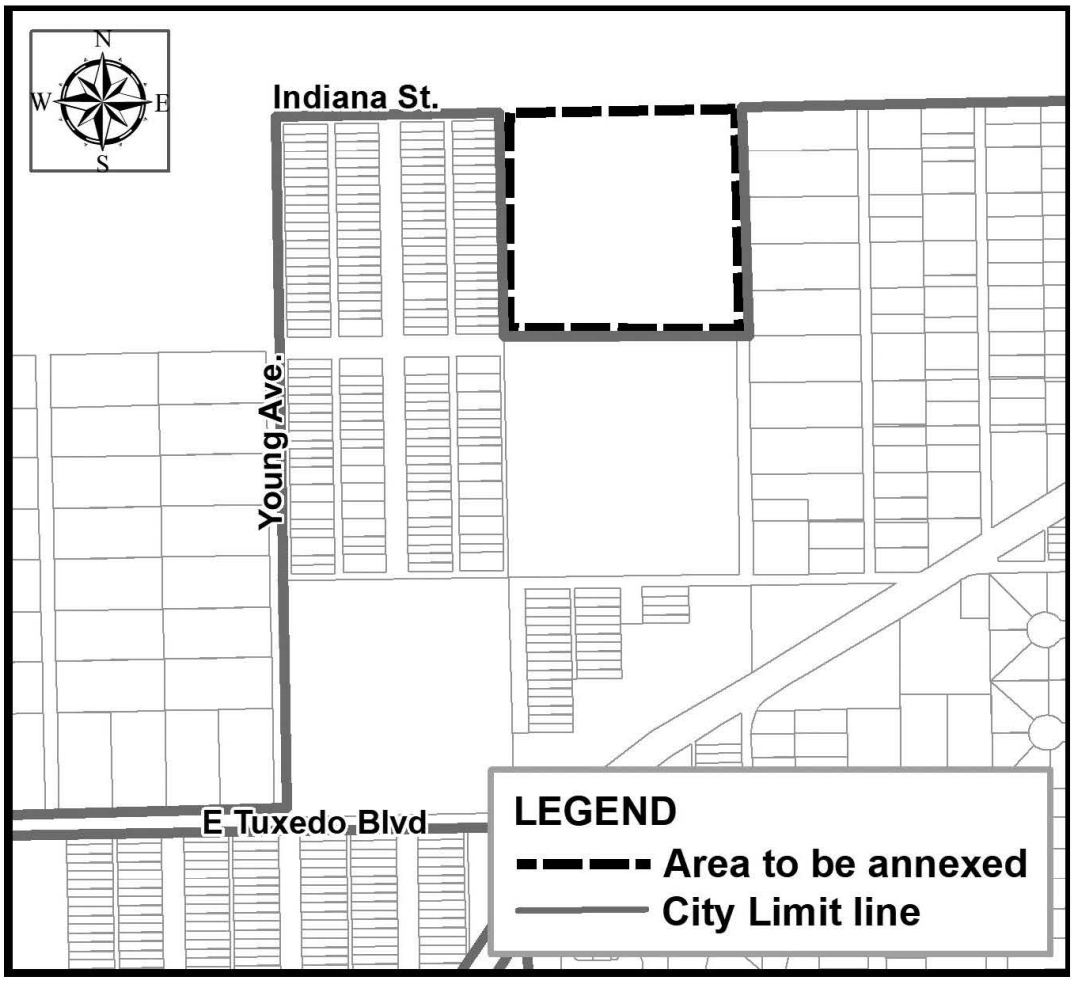

N
W
E
S
Indiana St.
Young Ave.
E Tuxedo Blvd
LEGEND
Area to be annexed
City Limit line

Exhibit D

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

PETITION FOR ANNEXATION

Pursuant to Oklahoma State Statute Title 11, Section 21-105, I, Jason Muninger, acting on behalf of the City Council for the City of Bartlesville, being the owner of all of the real property hereinafter described, do hereby request that the following described property be annexed into the corporate limits of the City of Bartlesville:

10 acres, more or less, lying in Section 5, Township 26 North, Range 13 East, Washington County, Oklahoma, described as follows:

The Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma.

The property is located and contained within an area that is contiguous to the corporate limits of the City of Bartlesville, Oklahoma, and the property does not lie within the corporate limits of any other municipality.

Plan for Municipal Services: The City of Bartlesville will provide and extend any required or necessary municipal services to the annexed property as needed to facilitate the development of the annexed land.

I, the undersigned, hereby submit this written petition in accordance with Oklahoma State Statute Title 11 and request that such property described above be annexed to the City of Bartlesville, Oklahoma. Also attached hereto is a map of the said property to be annexed showing its relationship to the corporate limits of the City of Bartlesville.

Dated this 1st day of July, 2021.

BY: _____
Jason Muninger, Acting City Manager
City of Bartlesville

CITY OF BARTLESVILLE OFFICIAL SEAL OKLAHOMA

ORDINANCE NO. _____

AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE CITY OF BARTLESVILLE, OKLAHOMA, AND DESIGNATING THE AREA INCLUDED IN SUCH EXTENSION; DESIGNATING THE WARD NUMBER AND ZONING OF SUCH AREA; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING THAT IF ANY PART OF PARTS HEREOF BE HELD INVALID OR INEFFECTIVE, THE REMAINING PORTIONS SHALL NOT BE AFFECTED.

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

Section 1. That the corporate limits of the City of Bartlesville, Oklahoma, shall be and the same are hereby extended to include 10 acres, more or less, lying in Section 5, Township 26 North, Range 13 East, Washington County, Oklahoma, legally described as the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of Section 5, Township 26 North, Range 13 East of the Indian Base Line and Meridian, Washington County, Oklahoma.

Section 2. That the Council finds that the above described area is adjacent and contiguous to the present Corporate Limits of said City, and that such annexation has been requested by the owner of the acres to be annexed to the municipality; and that the annexation of said area would redound to the benefit of the City; and that the annexation of said area is authorized by the Statutes of the State of Oklahoma.

Section 3. That said above described area is hereby made a part of Ward 4 of the City of Bartlesville, Oklahoma, and said area is hereby zoned RS-10, Single-Family Residential.

Section 4. If any part or parts hereof be held invalid or ineffective, the remaining portions shall not be affected.

Section 5. This ordinance shall be effective from and after its passage.

PASSED by the City Council and **APPROVED** by the Mayor of the City of Bartlesville, Oklahoma this 2nd day of August, 2021.

_____

Dale Copeland, Mayor

ATTEST:

_____

Jason Muninger, City Clerk

Agenda Item 9.
August 2, 2021
Prepared by Rocky Bevard, Deputy Police Chief
Police Department

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Discuss and take possible action to adopt an amendment to City of Bartlesville ordinance Chapter 19, Article XI, adding section _423_ prohibiting use of compression braking or Jake brakes within the City of Bartlesville.

Attachments:

City Ordinance Chapter 19, Article XI, section _423_ with desired language added for the new ordinance.

II. STAFF COMMENTS AND ANALYSIS

The Bartlesville Police Department requests addition to City of Bartlesville ordinances in Chapter 19, Article XI – "Vehicles Prohibited or Restricted" adding a section for prohibiting the use of compression braking or Jake brakes within the City of Bartlesville.
Added language would allow for enforcement action by the police department, and penalties of up to a $90.00 fine plus costs to be assessed by the Municipal Court upon the conviction of a person unlawfully using compression or Jake brakes within the City.
This would allow the police department to directly address complaints and take enforcement action on violators who disrupt the peace and tranquility of Citizens affected by the noise created by such braking systems within the City of Bartlesville.

III. RECOMMENDED ACTION

Staff recommends that Council review and possibly adopt the amended ordinances adding the language for a new ordinance within Chapter 19, Article XI, section _423_ which prohibits the use of compression braking or Jake brakes within the City of Bartlesville.

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 19, ARTICLE XI - VEHICLES PROHIBITED OR RESTRICTED, OF THE BARTLESVILLE MUNICIPAL CODE TO ADD SECTION 19-_423_ FOR "USE OF COMPRESSION BRAKING OR JAKE BRAKES PROHIBITED".

WHEREAS, the City of Bartlesville amends the Municipal Code Chapter 19, article XI - Vehicles Prohibited or Restricted, adding section 19-_423_ relating to prohibiting Use of Compression Braking or Jake Brakes.

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

Sec. 19-_423_. – USE OF COMPRESSION BRAKING OR JAKE BRAKES PROHIBITED.

A. Prohibited: It shall be unlawful for any person to employ any engine braking system which utilizes engine exhaust or a decompression device to slow the vehicle except in cases of emergency. Such braking systems are commonly referred to as engine braking, jake brakes, jacobs vehicle systems, PacBrake, or TecBrake.

B. Penalty: A violation of this section shall be punishable by a fine of up to Ninety dollars ($90.00) plus costs.

PASSED by the City Council and APPROVED by the Mayor of the City of Bartlesville, Oklahoma this __2nd__ day of __August__, 2021.

_____
Dale Copeland, Mayor

Attest: _____
City Clerk (Seal)

city of bartlesville
CONNECTED / CREATIVE / VIBRANT

Agenda Item 10.
July 28, 2021
Prepared by Micah Siemers
Engineering

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Discuss and take possible action on Request for FAA Approval of Agreement for Transfer of Entitlements

Attachments:

Request for FAA Approval of Agreement for Transfer of Entitlements – Bartlesville to Eufaula

Request for FAA Approval of Agreement for Transfer of Entitlements – Eufaula to Bartlesville (for information only)

II. STAFF COMMENTS AND ANALYSIS

Early in 2021, it was planned to rehabilitate and expand a portion of the taxiway and apron immediately south of the FBO, at the airport. The project was to be funded by a FY 21 grant from FAA. With the elimination of the ConocoPhillips shuttle service, it is anticipated that more transient aircraft will be able to park in front of the terminal building, and the FBO services (fuel sales) will take place at the terminal building instead of the existing FBO building. While a portion of the project will still be necessary, staff desires to re-evaluate the scope of the apron expansion, as the operations at the airport shift from their historical patterns, and construct the project under a FY 22 FAA grant.

The City has $117,902 of FY 2018 Non-Primary Entitlements (federal funds) available at FAA, that must be under grant in FY 2021, or they will expire. To prevent this, the FAA has suggested arranging for a funding swap with another Oklahoma airport, under which the other airport will utilize the expiring funds on their project under a FY 21 grant, and transfer an equal amount back to Bartlesville in FY 22, that will comprise part of the funding if the FY 22 FAA grant for Bartlesville.

The FAA Program Manager that oversees Bartlesville Municipal Airport also oversees the Eufaula Municipal Airport and has identified them as a willing funding swap partner, as the additional funds will allow them to complete more of their FY 21 project than currently possible, due to bid prices. The City of Eufaula is considering a similar agreement on their August 2 Council meeting.

RECOMMENDED ACTION

Staff recommends approval of the Request for FAA Approval of Agreement for Transfer of Entitlements.

Request for FAA Approval of Agreement for Transfer of Entitlements

In accordance with 49 USC § 47117(c)(2),

Name of Transferring Sponsor: City of Bartlesville, Oklahoma

hereby waives receipt of the following amount of funds apportioned to it under 49 USC § 47114(c) for the: Name of Transferring Airport (and LOCID): Bartlesville Municipal Airport (BVO)

for each fiscal year listed below:

Entitlement Type (Passenger, Cargo or Nonprimary)	Fiscal Year	Amount
Nonprimary	18	$ 117,902.00
Total		$ 117,902.00

The Federal Aviation Administration has determined that the waived amount will be made available to:

Name of Airport (and LOCID) Receiving Transferred Entitlements:
Eufaula Municipal Airport (F08)

Name of Receiving Airport's Sponsor: City of Eufaula, Oklahoma

a public use airport in the same state or geographical areas as the transferring airport for eligible projects under 49 USC § 47104(a).

The waiver expires on the earlier of 10/01/2021 (date) or when the availability of apportioned funds lapses under 49 USC § 47117(b).

For the United States of America, Federal Aviation Administration:

Signature: _____

Name:

Title:

Date:

Certification of Transferring Sponsor

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Executed on this 2nd day of August , 2021

Name of Sponsor: City of Bartlesville

Name of Sponsor's Authorized Official: Dale Copeland

Title of Sponsor's Authorized Official: Mayor

Signature of Sponsor's Authorized Official: _____

Certificate of Transferring Sponsor's Attorney

I, , acting as Attorney for the Sponsor do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Agreement under the laws of the state of . Further, I have examined the foregoing Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said state and 49 USC § 47101, et seq.

Dated at (City, State),

this day of ,

Signature of Sponsor's Attorney: _____

Agenda Item 11.
July 28, 2021
Prepared by Mike Richardson. Airport Director
Bartlesville Municipal Airport

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Enter A 5 yr. contract between the City of Bartlesville and Phillips 66 to continue the Phillips 66 Aviation branding for the Bartlesville Municipal Airport providing Aviation Fuels (Jet and Avgas) for resale to the public. This Agreement also includes supplying one Jet and one Avgas leased refuelers, consignment and contract fuel (Into-Plane), Co-op funds, 50MM excess liability insurance, FBO Feature(advertising), AvPOS software/hardware for ticket entry, fuel quality assurance support, and signage.

Attachments:

Direct Dealer Offer Letter to City of Bartlesville
Branded Aviation Dealer Agreement
Into-Plane Fuel Contract

II. STAFF COMMENTS AND ANALYSIS

The City of Bartlesville is taking over operational control of the Bartlesville Municipal Airport on August 16th and will need a reputable marketer to supply on-spec aviation grade fuel with a robust quality assurance program at a competitive price.

III. RECOMMENDED ACTION

Airport Manager recommends entering a 5yr. contract with Phillips 66 subject to the terms of the attached offer letter and agreements set forth.

Eric McMurphy
Sales Manager, Aviation

Phillips Company
411 S. Keeler Ave.
Bartlesville, OK 74004
(785) 280-9618

July 28, 2021 - Revised

REF: Direct Dealer Offer – City of Bartlesville

Attention: Mike Bailey and Mike Richardson

Phillips 66 is pleased to offer the following to continue the Phillips 66 Aviation branding for the Bartlesville Municipal Airport (BVO) effective 8/15/2021:

- Contract Term: 5 Years
- Payment method: EFT (Electronic Funds Transfer)
- Payment terms: Net 10 days
- Fuel pricing:
  - Jet with FSII @Tulsa – Platts Group 3 Jet PWA (Prior Week Average) + $.09cpg
  - Avgas supply from Borger TX – Rack price
  - Jet taxes - $.256942cpg, Avgas taxes $.2051cpg
  - Current price as of 7/21/2021 (excluding tax and transportation)
    - Jet - $2.0487/gallon, Avgas - $3.20/gallon
- Fuel transportation:
  - Jet transportation - $.0407cpg + fuel surcharge (currently 21.5% of freight rate)
  - Avgas transportation - $.2859cpg + fuel surcharge (currently 21.5% of freight rate)
  - Central dispatch – Phillips 66 will coordinate all deliveries to the FBO
- Fuel under contract annually:
  - Rolling 12 months – July 2020 through June 2021
  - Jet Retail – 34,545 gallons, Jet Into-Plane – 148,701 gallons
  - Avgas Retail – 24,357 gallons, Avgas Into-Plane – 7,580 gallons
  - Total gallons – 215,183 annually
- Price and freight equalization – Phillips 66 will charge the same price and freight regardless of the supply point.
- Consignment fuel – Phillips 66 offers to continue consignment fuel for jet. City will need to manage two sets of inventories on jet and their own inventory on avgas. Every into-plane transaction will come out of consignment inventory.
- Contract Fuel (Into-Plane) – Phillips 66 will provide city with the Phillips 66 Contract Fuel program to continue to the growth of the FBO.
- Co-op Funds - $.005cpg on all gallons will be funded to support the FBO. $1,500 will be deposited as an open balance for needs of the city.
- $50MM excess liability – Phillips 66 will provide excess liability insurance up to $50MM.
- Featured FBO – Phillips 66 will feature BVO within 6 months and post the article on our Phillips66Aviation.com website.

- Refuelers – Phillips 66 will provide the first 3 months of refueler rent free.
    - Jet refueler rent will be $1,700/month with full maintenance
    - Avgas refueler rent will be $500/month with full maintenance
    - The maintenance BIV will have is tires/batteries and wipers
        - Maintenance also includes PM's and filter changes
    - Phillips66 will entertain ideas for truck purchase or new vehicles in the first three-month period
- Electronic Point of Sale (EPOS) – Phillips 66 will convert AvPOS to City of Bartlesville. The charge to the city will be $30/month. AvPOS will also be connected to Contract Fuel for ticket entry though AvPOS. Phillips 66 also offers full access to Bizlink content.
- Quality Control – Full support from Phillips 66 including the Trustedfuel.com website materials and site inspections.
- Signs – Phillips 66 offers up to $5,000 to refresh any signs needing replacement or towards any additional signs.
- Loyalty – Phillips 66 offers participation in the WingPoints loyalty program and provides free double points to any Aviation Wings card purchases.
- Credit Card Fees:
    - Phillips 66 offers the 0% proprietary card and 0% Aviation Wings Card
    - Competitive mainline card rates

CARD TYPE	Per dollar, effective July 18, 2018
Phillips 66 Aviation Wings Card	0.00%
Branded Personal Card	0.00%
Branded Commercial Card	0.00%
Branded / Co-Branded Fleet Card	1.50%
Branded Gift / Cash Card	0.00%
American Express	3.35%
AvCard	2.85%
Debit	0.80%
Discover / Diner's	3.00%
MasterCard**	2.15%
MultiServe	3.25%
Visa**	2.15%
Voyager	2.75%
WEX	2.75%

If there are any questions, please contact me at Eric.T.McMurphy@P66.com

Regards,

Eric McMurphy

Sales Manager
Phillips 66 Aviation

BRANDED AVIATION DEALER AGREEMENT

— «DEALER_N» —

«START»

Phillips 66 Company

BRANDED AVIATION DEALER AGREEMENT

TABLE OF CONTENTS

SECTION		PAGE #
1.	SALE AND PURCHASE	1
2.	DURATION	2
3.	DELIVERIES AND SHIPMENTS	2
4.	ALLOCATION	3
5.	TRADEMARKS AND BRANDS	3
6.	PROGRAMS	5
7.	PRICE	5
8.	PAYMENT TERMS	5
9.	CREDIT CARDS, OTHER PAYMENT METHODS, EPOS AND NETWORK ACCESS	6
10.	FINANCIAL RESPONSIBILITY	9
11.	TAXES	10
12.	BRAND AND IMAGE STANDARDS	10
13.	QUALITY ASSURANCE OBLIGATIONS	11
14.	RIGHT TO INSPECT	11
15.	WARRANTIES	12
16.	STORAGE TANKS, PIPES AND DISPENSERS	12
17.	INDEMNITY AND COMPLIANCE WITH LAWS	12
18.	INSURANCE	13
19.	DEALER CLAIMS/lawsuits	14
20.	ELECTRONIC DATA INTERCHANGE	15
21.	FORCE MAJEURE	15
22.	RELATIONSHIP OF PARTIES	15
23.	APPLICABLE LAW	16
24.	TRANSFER OF AGREEMENT	16
25.	RECORDS AND AUDIT	17
26.	TERMINATION	17
27.	CONFIDENTIALITY AGREEMENT	18
28.	MISCELLANEOUS	19
29.	NOTICES	19
30.	LIQUIDATED DAMAGES	19
31.	ELECTRONIC DOCUMENTS AND SIGNATURES	20
32.	CONFIDENTIALITY AND ETHICS AND CONFLICTS OF INTEREST	20
33.	NO THIRD PARTY BENEFICIARY	21

Phillips 66 Company

BRANDED AVIATION DEALER AGREEMENT

This Branded Aviation Dealer Agreement ("Agreement") is dated and entered into this date of **«C_START»** (hereinafter called the "Effective Date"), by and between Phillips 66 Company (hereinafter referred to as "PSX") and **«DEALER _N»**, whose principal place of business is at **«MAILING_STREET»**, **«MAILING_CITY»**, **«MAIL_STATE» «MAIL_ZIP»** (hereinafter referred to as "Dealer").

RECITALS

WHEREAS, PSX is a refiner and marketer of aviation fuels and Dealer desires to purchase from PSX a supply of such fuels for resale; and

WHEREAS, PSX is engaged in the business of marketing the sale of aviation fuels under certain Phillips 66® trademarks, service marks, logotypes, trade names, emblems and other commercial symbols ("Phillips 66 Brand"); and

WHEREAS, PSX is agreeable to sell to Dealer aviation fuels for resale under the Phillips 66 Brand ("Branded Products") subject to (1) applicable law and regulation, (2) availability of such fuels and (3) the terms and provisions hereof.

NOW THEREFORE, in consideration of the mutual benefits to be derived by PSX and Dealer from the execution of this Agreement, the parties hereto agree that the above recitals are a part of this Agreement and further agree as follows:

1. SALE AND PURCHASE

A) Subject to other pertinent provisions of this Agreement, PSX shall sell, and Dealer shall purchase, for each Agreement Year of this Agreement, Dealer's entire requirements of the Branded Products identified on Exhibit A of this Agreement, which is attached hereto and made a part hereof. The estimated maximum contract volume identified on Exhibit A of this Agreement is Dealer's best estimate of its Branded Products requirements for each Agreement Year of this Agreement. "Agreement Year" means a period of twelve (12) months beginning on the Effective Date or on an anniversary of the Effective Date of this Agreement.

B) Notwithstanding any provision to the contrary in this Agreement, Dealer agrees to purchase a minimum volume commitment of XXXX gallons of Branded Product ("Volume Commitment" as further defined below) consisting of i) Jet Commitment, ii) Avgas Commitment, and iii) Into-Plane Volume (each as defined and set forth below). During the Term of this Agreement, Dealer agrees to purchase XXXX gallons of jet ("Jet Commitment"), XXXX gallons of aviation gasoline ("Avgas Commitment") and deliver XXXX gallons of aviation fuel into PSX's customers' aircraft under the PSX partners-into-plane program ("Into-Plane Volume"). Dealer acknowledges that in order to fulfill Dealer's Volume Commitment under this Agreement, Dealer must, at a minimum, satisfy the Jet Commitment, the Avgas Commitment, and the Into-Plane Volume independently of one another.

C) Dealer shall make best efforts to place orders for Branded Products so as to permit deliveries in substantially equal increments throughout each month. PSX reserves the right to implement measures to control ratability.

D) If requested by PSX, Dealer must provide, in writing, a monthly volume estimate forty (40) days prior to the nominated month. Such monthly volume estimate shall be product specific and include jet, avgas, and into-plane activity.

E) PSX is obligated, subject to availability of fuels and to the terms, provisions and limitations contained in this Agreement, to supply Branded Products up to but not in excess of, the estimated maximum contract volume specified in Exhibit A during the respective month(s) of the Term (defined in Section 2 below); however, the parties recognize that from time to time Dealer may desire to purchase quantities of Branded Products during a given month in excess of or less than the specified quantities. Dealer may request in writing a change in the estimated maximum contract

volume listed on Exhibit A of this Agreement. If Dealer requests an increase or decrease which exceeds thirty percent (30%) for any month, the requested change shall be subject to PSX's consent. Otherwise, such requested changes shall become effective on the date designated by Dealer.

F) Except as otherwise permitted by law, no PSX Motor Fuel shall be sold for aviation use; as of the date of this Agreement, PSX does not sell a Motor Fuel approved for aviation use. Any Motor Fuel located at a FBO Location(s) shall not be in the trade dress associated with the Phillips 66 Brand, and shall be clearly marked that the Motor Fuel is not a branded PSX product. "Motor Fuel" means gasoline and diesel fuel of a type distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways. "FBO" or "FBO Location(s)" means any person or entity to which Dealer sells Branded Products for further sale on airport premises.

G) Except as otherwise permitted by law, no aviation gasoline purchased under this Agreement shall be used or resold for non-aviation use.

2. DURATION

Subject to the termination provisions hereinafter set forth, the primary term of this Agreement shall be five (5) years commencing on **«C_START»** and ending on **«C_EXPIRES»** ("Term").

3. DELIVERIES AND SHIPMENTS

A) PSX shall supply Branded Products to Dealer in no less than transport truck lots at or from a supply point or supply points designated by PSX ("Specified Terminal(s)"). PSX shall have the right at any time to change Dealer's Specified Terminal(s) or to limit or otherwise control the volume of Dealer's Exhibit A volume which PSX will make available at any Specified Terminal(s). Deliveries shall be made during the normal operating hours for each such supply point. Delivery shall be on a point of destination basis unless the parties agree in writing on delivery on a point of origin basis. If Dealer requests delivery of less than transport truck lots at or from Specified Terminal(s), additional delivery charges may be imposed by PSX.

B) As between the parties, with respect to point of destination delivery, title to and risk of loss of Branded Products sold and delivered by PSX to Dealer shall pass to Dealer at the point the Branded Products pass into Dealer's storage tank at FBO Location(s). For point of destination delivery, PSX may, at its option, pay the freight charges initially, which shall then be charged to Dealer.

C) If the parties agree in writing to delivery on a point of origin basis, title to and risk of loss of Branded Products sold and delivered by PSX to Dealer shall pass to Dealer at the time the Branded Products enter Dealer's designated carrier at the Specified Terminal(s). If Dealer transports the Branded Products from the Specified Terminal(s), Dealer shall qualify with PSX or the terminal operator to enter on the premises and Dealer shall execute necessary documents. Minimum transport quantity shall be the minimum set by the terminal operator. However, there shall be no split-loading of Branded Products. Only one grade of Branded Product shall be loaded or transported in any transport truck at any one time.

D) All shipments shall be invoiced as of the date the Branded Products enter the designated carrier. All volumes hereunder which are loaded into transport trucks, regardless of the delivery location, shall be determined by meter at the point of loading. Unless otherwise required by state law where the Branded Products are delivered, invoices will be rendered on a Net basis, *i.e.* the volumetric measurement in US gallons of a product as actually loaded and measured at the supply source, corrected in volume for temperature to a 60°F basis or such other temperature or temperature

compensated basis as may be established under applicable law, in accordance with applicable ASTM-IP Petroleum Measurement Tables ("Net").

4. ALLOCATION

If PSX experiences a reduction or unavailability of any grade or type of Branded Products for any reason, including but not limited to, causes beyond PSX's control, PSX may, but is not obliged to, designate a temporary alternate source of supply. PSX also may reduce the quantity to be delivered to Dealer to the extent necessary for PSX to allocate equitably its available Branded Products to PSX's branded customers (including Dealer) and to locations owned by PSX, directly or indirectly affected by such reduction or unavailability. If this Section is invoked, this Agreement shall not be extended, but quantities specified herein shall be adjusted accordingly. No notice is necessary to invoke this Section.

5. TRADEMARKS AND BRANDS

A) As long as this Agreement shall remain in effect, and subject to the provisions of this Agreement, PSX hereby grants Dealer a non-exclusive limited license to use and display the Phillips 66 Brand in conjunction with the advertising, distribution or sale of Branded Products or other products selected by PSX for sale under the Phillips 66 Brand at the FBO Location(s) as set forth in Exhibit A, in accordance with (i) PSX's Brand and Image Standards and requirements for the Phillips 66 Brand, as set forth in Section 12 below, as amended from time to time, (ii) Quality Assurance Obligations, as set forth in Section 13 below, as amended from time to time, and (iii) PSX's Programs, as set forth in Section 6 below. Dealer shall prominently display such Phillips 66 Brand. Dealer acknowledges and recognizes PSX's interest in all its brands and the exclusive right of PSX to control the use of all PSX's brands. Dealer shall be responsible for its FBO Location(s)' compliance with the use of the Phillips 66 Brand in accordance with this Section 5.

B) Dealer acknowledges PSX's ownership of and/or rights to use and grant licenses for the use of the current and future Phillips 66 Brands and all related practices, procedures, methods, devices and techniques, and Dealer shall not at any time, or in any manner, contest the validity of PSX's ownership of or rights to the same, whether now existing or hereafter obtained. Dealer further acknowledges that all goodwill relating to the Phillips 66 Brand shall inure to the benefit of PSX.

C) Except as set forth in Section 5A above, Dealer shall not use, or allow the use of, any signs containing the Phillips 66 Brand at its FBO Location(s) without the written consent of PSX. PSX shall also have the right to revoke its approval to use the Phillips 66 Brand at certain or all FBO Location(s), without terminating the general permission to use the Phillips 66 Brand in conjunction with the advertising, distribution or sale of Branded Products, set forth in Section 5A above, at any time and for any reason, including but not limited to, Dealer's (i) failure to conform to the Phillips 66 Brand use requirements in this Section 5; (ii) failure to conform to PSX's then-current Brand and Image Standards and requirements set forth in Section 12 below; (iii) failure to conform to the Quality Assurance Obligations in Section 13 below; or (iv) engaging in any action or activity that brings the Phillips 66 Brand into disrepute. In the event of such revocation, which is also referred to as "debranding", Dealer shall, at its own cost and expense, cease using or displaying the Phillips 66 Brand at such FBO Location(s).

D) Dealer shall maintain, at Dealer's expense, all signs and poles displaying the Phillips 66 Brand at the FBO Location(s) in good condition and repair. Dealer further agrees to keep clean all such signs and promptly replace, at Dealer's expense, all burned out or defective lamps illuminating said signs. PSX reserves the right, but shall not assume the obligation, at any and all times during FBO

Location(s)' business hours to enter upon the FBO Location(s)' premises to inspect any or all of the Phillips 66 Brand to:

i. Determine if the obligations of Dealer are being fulfilled hereunder with regard to the display of the Phillips 66 Brand, and

ii. Maintain and/or repair any or all of the displayed Phillips 66 Brand, at Dealer's expense, in the event Dealer fails to maintain as required.

E) Dealer acknowledges and agrees that it or its FBO Location(s) own all right and title to all signs bearing the Phillips 66 Brand and related poles.

F) Under the Phillips 66 Brand, Dealer shall only offer for sale or sell Branded Products at its FBO Location(s). Dealer shall use the Phillips 66 Brand only in a form and manner approved by PSX, and shall not sell any unbranded or other branded products, whether purchased from PSX or not, under any brand, trademark, service mark, or trade name which is confusingly similar to the Phillips 66 Brand, or under any circumstances likely to cause confusion, mistake, or deception as to the origin, source, or sponsorship of the products.

G) Dealer shall not use PSX's name and/or the Phillips 66 Brand in any email address, domain name, website name and/or URL address nor authorize or permit others to use PSX's name, any PSX brand, including but not limited to, the Phillips 66 Brand, in any such name and/or address.

H) At no time during the Term hereof shall Dealer advertise or use in advertising or any other form of promotion, the Phillips 66 Brand except as may be approved by PSX, such approval not to be unreasonably withheld. Furthermore, if Dealer is granted the right to use the Phillips 66 Brand in conjunction with websites, advertising, business forms, structures, vehicles and other Dealer property directly related to the advertising, distribution and/or sale of Branded Products under this Agreement, Dealer must properly identify itself as a "Branded Aviation Dealer" adjacent to the Phillips 66 Brand. At no time during the Term hereof and at no time from and after the expiration or termination of the Term hereof shall Dealer advertise or otherwise utilize, either at FBO Location(s) or elsewhere, any marks, trade dress, logotypes, or names confusingly similar to any PSX brands, including but not limited to, the Phillips 66 Brand.

I) Dealer shall not allow at any of its FBO Location(s) any activities or merchandise which are illegal or morally offensive or which otherwise bring the Phillips 66 Brand into disrepute.

J) PSX reserves the right at any time to change its product line and specifications, trade dress, trade names, and trademarks or to change or withdraw any services offered in connection with any Branded Products such as, but not limited to, credit card acceptance. In the event of such change, PSX shall be relieved of all obligation to sell such discontinued Branded Products or to offer such discontinued Branded Products, trade dress, trade name, trademark or services to Dealer; and if PSX shall market any other brand or product in lieu of the discontinued items, this Agreement shall embrace such new brands or products. PSX shall not be liable to Dealer by reason of any such changes.

K) Upon the termination of this Agreement, Dealer shall immediately cease using the PSX Brand and any related trade dress in any manner, and remove from the premises and surrender to PSX, at Dealer's risk and expense, any and all Phillips 66 Brand identification, including credit card imprinter plates. Further rules and conditions for the removal of the Phillips 66 Brand and related trade dress may be prescribed by PSX's Brand and Image Standards and requirements for the Phillips 66 Brand, as set forth on the PSX Marketing website or otherwise communicated to Dealer. If Dealer fails to remove such Phillips 66 Brand identification from any FBO Location(s) as described in this Section 5K, PSX may enter and remove such Phillips 66 Brand identification at the expense of Dealer. PSX shall invoice Dealer for such actual expenses, including any reasonable attorneys'

fees and costs, and Dealer shall pay PSX in accordance with the payment method set forth in Section 8A below.

6. PROGRAMS

PSX may provide to Dealer and, if so provided, Dealer shall comply with the provisions of programs established for the Phillips 66 Brand, which may be set forth on the PSX Marketing website and/or in hard copy, and which PSX shall have the right to revise from time to time. PSX may require Dealer to execute a separate agreement or amendment to this Agreement to enroll in any such program and to evidence Dealer's agreement with the provisions of such program.

7. PRICE

Dealer shall pay PSX for Branded Products delivered hereunder at PSX's established price to aviation dealers for the particular Branded Products at the Specified Terminal(s) in effect for Branded Products on the date the Branded Products enter the designated carrier, subject to federal, state, or local taxes, license fees, inspection fees, or other charges imposed by any governmental authority or agency. Changes in costs including, but not limited to, published pipeline tariffs, throughput fees, additive costs (if applicable), trucking freight rates, and fuel surcharges shall be charged to Dealer throughout the Term of this Agreement.

8. PAYMENT TERMS

A) Normal payment terms apply for so long as Dealer is approved by PSX for a line of credit. Normal payment terms hereunder shall be PSX's established payment terms for Branded Products sold to branded PSX aviation dealers, as established from time to time. As set forth in Section 9 below, assigned credit card invoices shall be automatically applied to Dealer's outstanding account balance, when due, for Branded Products purchases and other amounts owing to PSX. All payments and other fees or charges due from Dealer shall be made through and in accordance with PSX's preauthorized payment system, currently electronic funds transfer ("EFT") or in a manner otherwise designated by PSX. If PSX does not extend credit to Dealer, Dealer shall pay, at PSX's option, cash in advance or cash at time of delivery for all Branded Products purchased hereunder.

B) Normal payment terms do not apply to purchases that cause Dealer to exceed its approved credit limit which may be adjusted or canceled by PSX from time to time in PSX's sole discretion. Notwithstanding payment terms printed on any invoice, if Dealer's outstanding payment obligations exceed the credit limit, payment terms for the over limit amount shall be immediate payment in advance of due dates, unless PSX approves a temporary higher credit limit. The payment shall be

made by wire transfer in an amount sufficient to bring such payment obligations within the credit limit.

C) No payment made to PSX by check, EFT, or by any other instrument shall contain a restrictive endorsement of any kind, and any such restrictive endorsement shall have no legal effect even if the instrument restrictively endorsed is processed for payment and PSX retains the proceeds.

D) PSX may assess a delinquency charge on all overdue sums owing to PSX. Such delinquency charge shall be one and one-half percent (1½%) per month or the highest amount allowed by applicable law, whichever is less, from the due date of each invoice to the date of payment.

E) PSX may assess an administrative fee for accounts that require additional payment administration, such as but not limited to accounts that do not qualify for normal EFT terms in an amount not to exceed $250 per transaction.

F) If PSX refers Dealer's account for collection, Dealer agrees to pay all collection costs permitted by applicable law, plus an amount for attorneys' fees and court costs equal to twenty-five percent (25%) of the amount owed, and allowable interest necessary to secure collection, in addition to the outstanding balance. If this Agreement is terminated for nonpayment or for failure to pay timely all sums due PSX, then PSX shall have no continuing liability for any undelivered Branded Products hereunder.

G) In the case of a disputed invoice, PSX shall not be liable to Dealer for Branded Products not delivered hereunder unless Dealer notifies PSX of Dealer's claim immediately, but no later than ninety (90) days after the date of the disputed invoice. If Dealer disputes any invoice, in whole or in part, Dealer shall pay the undisputed portion of the invoice and shall give PSX prompt notice of the dispute. PSX and Dealer shall endeavor to settle and adjust any disputed amount promptly. If required by applicable law or if PSX so elects, the parties shall cause a new invoice for the undisputed portion to be issued and/or issue credit notes to allow for payment of the undisputed portion of the invoice while the dispute over the remaining part is resolved.

9. CREDIT CARDS, OTHER PAYMENT METHODS, EPOS AND NETWORK ACCESS

A) Certain terms used in this Section 9 are defined below:

"Card Transaction(s)" means the occurrence of a Payment Method involving PSX Accepted Cards.

"Cardholder Information" means all personally identifiable data about the cardholder and relationship to the merchant banks or card associations. Cardholder Information includes, but is not limited to, account number, expiration date, and name.

"Communication Methods" means dial, satellite and/or high-speed communication methods (including without limitation broadband methodologies approved by PSX) for the purpose of processing Card Transactions.

"PSX Accepted Cards" means those "Accepted Cards" described in the Credit Card Guide (defined in Section 9B below).

"EPOS" means electronic point of sale including all ancillary devices such as PIN pads and card readers that are required to process a Card Transaction.

"Network Communication Fees" means fees associated with Communication Methods used for the processing of Card Transactions.

"NSP" means network service provider with respect to electronic processing of Card Transactions.

"Payment Methods" means any method by which an electronic payment is authorized and processed through the EPOS. By way of example only, Payment Methods may include, but are not

limited to, magnetic stripe, radio frequency identification devices, mobile phones, contactless, biometric methods and chip and PIN.

"PCI" (Payment Card Industry) is a formal organization consisting primarily of Visa, MasterCard, American Express, and Discover who have created a global standard for the protection of Cardholder Information.

"Processing Fees" means fees associated with the processing of Card Transactions and off-line Card Transactions.

B) Dealer shall and shall cause its FBO Location(s) to, accept and honor for payment PSX Accepted Cards at FBO Location(s), as outlined in the then-current Credit Card Guide found on the PSX Marketing website, and subject to the terms thereof. The then-current Credit Card Guide is incorporated herein by this reference and may be revised from time to time or discontinued in PSX's sole discretion, and may be supplemented with PSX's Marketing website communications and other forms of notification to Dealer (all referred to collectively as the "Credit Card Guide"). Dealer shall and shall cause its FBO Location(s) to, accept for payment all PSX Accepted Cards through PSX approved Payment Methods at its FBO Location(s). It is the responsibility of Dealer to provide its FBO Location(s) with the Credit Card Guide and all amendments thereto for use at its FBO Location(s).

C) PSX shall accept assignment of PSX Accepted Card invoices from all PSX Accepted Cards, subject to the terms and conditions in the Credit Card Guide. Dealer shall refuse to honor PSX Accepted Cards which display the Phillips 66 Brand for purchases made at locations other than its FBO Location(s) listed on Exhibit A. Furthermore, Dealer shall not assign any PSX Accepted Card invoices to PSX for sales or purchases made at locations not listed on Exhibit A. Dealer shall accept and promptly reimburse PSX for invoices refused by PSX in accordance with the provisions of the Credit Card Guide. Except as otherwise stated in this Section 9C, assigned PSX Accepted Card invoices shall be automatically applied to Dealer's outstanding account balance, when due, for Branded Products purchases and any other amounts owing to PSX.

D) Dealer shall, at its own expense, ensure that each FBO Location(s) has and uses PSX approved EPOS equipment for Card Transactions in accordance with the provisions of this Section 9. Dealer shall at its own expense further ensure that each FBO Location(s) has and uses PSX's approved version of software for Card Transactions with approved EPOS equipment in accordance with the provisions of this Section 9. Such approved EPOS equipment and software versions are listed on the PSX Marketing website, and such list may be revised from time to time in PSX's sole discretion. Dealer agrees to, and shall ensure its FBO Location(s), enable PSX approved necessary functionality on approved EPOS to meet requirements set forth under this Agreement, the Credit Card Guide, Programs set forth under Section 6 above, or any other requirements set forth in writing by PSX. Dealer shall be responsible to maintain and repair at its sole expense all EPOS equipment and software used at its FBO Location(s) except to the extent provided for under an EPOS maintenance agreement with PSX or its approved third party.

PSX HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO THE EPOS EQUIPMENT OR SOFTWARE REFERENCED IN THIS SECTION 9, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE.

E) FBO Location(s) shall receive access to NSP(s) designated by PSX for electronic transactions for consumer purchases made with Payment Methods using PSX Accepted Cards. Processing requirements through the designated NSP are set forth in this Section. Dealer agrees to process, and to ensure that all of its FBO Location(s) process, all consumer purchases of Branded Products that use PSX Accepted Cards through the NSP designated by PSX. For all other consumer purchases except Branded Products, each FBO Location(s) must process, at a minimum, any PSX Accepted Card which displays any PSX brand, including but not limited to, PSX, currently and in the future, in addition to any other cards as outlined in the then-current Credit Card Guide through the NSP designated by PSX. Dealer agrees to install and maintain access to the designated NSP

and pay Network Communication Fees related to such access and pay Processing Fees associated with the processing of Card Transactions.

F) Access to PSX's approved network for processing Card Transactions can be obtained through Communication Methods approved by PSX, which PSX may change from time to time at its discretion. Dealer agrees to the Communication Methods terms and conditions and associated fees ("Communication Method Terms and Conditions") as defined on the PSX Marketing website. Any future Communication Methods approved by PSX, which may or may not include broadband methods, shall also be set forth on the PSX Marketing website. PSX reserves the right to require Dealer to purchase or lease equipment necessary for and associated with such future Communication Methods, at Dealer's expense.

G) Dealer shall pay the fees and charges associated with Card Transactions at all FBO Location(s), as set forth on the PSX Marketing website. Dealer acknowledges that PSX may deduct all Processing Fees and Network Communication Fees due PSX from Dealer's assigned PSX Accepted Card invoices. Subject to applicable law, PSX may change any or all of its fees, charges or both as outlined in this Section 9G at any time upon not less than ten (10) days' written notice to Dealer.

H) (i) Standards for Protection of Cardholder Information. Except as otherwise specified, Dealer shall and shall ensure that its FBO Location(s) shall, for each FBO Location(s) with regard to Cardholder Information comply with the then-current: (a) Payment Card Industry Data Security Standard ("PCI Standard"), (b) federal, state, and local laws and regulations, and (c) merchant banks and card associations regulations. Dealer acknowledges and agrees to be responsible for its and its FBO Location(s) (including any or all of their respective employees, agents, representatives, service providers, contractors, and processors) failure to comply with this Section 9H.

(ii) Data Security Operating Policy. Dealer agrees to abide by all terms and conditions set forth in the PSX Data Security Operating Policy ("DSOP"), which may be amended from time to time, and which is fully set forth on the PSX Marketing website.

(iii) Notification Requirements. Notwithstanding any provision or agreement to the contrary between Dealer and PSX, Dealer agrees to notify PSX immediately, and confirm in writing as soon as possible thereafter, if Dealer has reason to believe that Cardholder Information has been accessed or used without authorization or not in compliance with this Agreement. Dealer agrees that PSX or its designee may perform an audit of the incident at Dealer's expense. Dealer shall provide (and obtain any waivers necessary to provide) to PSX and auditors of PSX's choosing, on request, full cooperation and access to all environments which may store, process or transmit Cardholder Information. The auditors will be allowed to conduct a thorough audit of such environments. Dealer shall fully cooperate with PSX's efforts to mitigate and rectify any issues arising from the incident, including consulting with PSX about Dealer's communications to cardholders affected by the incident and providing (and obtaining any waivers necessary to provide) PSX all relevant information to verify Dealer's ability to prevent future incidents in a manner consistent with this Agreement. PSX reserves the right to suspend processing of Card Transactions for Dealer and its FBO Location(s) if Dealer is found to be non-compliant with any requirements in this Section 9.

(iv) No Representation by PSX. Dealer's compliance with the PCI Standard and the DSOP shall not in any way relieve Dealer's indemnity obligations to PSX under this Agreement, nor relieve or decrease Dealer's liability in any way. Dealer is responsible, at its sole expense, for providing any additional data security measures that it deems necessary to protect its particular data and interests. PSX does not in any way represent or warrant that the measures contained in the PCI Standard or the DSOP are sufficient or adequate to protect Dealer's particular data and interests. PSX HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO THE DSOP, THE PCI STANDARD, AND THE DESIGNATION

AND PERFORMANCE OF THIRD PARTY SERVICE PROVIDERS, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE.

I) Dealer agrees to indemnify, release, defend and hold harmless PSX, and its affiliates, and its and their officers, directors, employees, agents, and representatives (collectively "PSX Group"), from any and all claims, demands, suits, actions or other loss or liability, including all reasonable attorneys' fees and legal expenses, fines, and penalties:

i) arising from or relating to any Card Transaction at its FBO Location(s), and

ii) arising out of or related to any claim, or cause of action at law, in equity or by contract, or any administrative or judicial action, or pursuant to any past, current or future agreement with and/or imposed by any card association or financial institution, and

iii) concerning or related to any loss or compromise of any data (including but not limited to Cardholder Information), any incident caused solely or in part by any third persons, or from Dealer's performance or failure to perform under this Section 9 whether or not Dealer was negligent or otherwise at fault

(i, ii, and iii in this Section 9I) are collectively referred to hereafter as, "Credit Card Liabilities"); and

iv) such Credit Card Liabilities are directly attributed to Dealer or its FBO Location(s) or a FBO Location as the location where the compromise has or is believed to have occurred.

This indemnification shall not apply to the percentage of such Credit Card Liabilities directly caused by PSX Group's negligence or willful misconduct.

Any assessment of chargebacks, fees, fines or penalties by a card association or financial institution shall be considered Credit Card Liabilities which are covered by this indemnification.

The PSX Group for the purposes of this Section 9 shall not include third party service providers, EPOS vendors, NSP vendors, communication vendors or any other third parties associated with the provision of any of the equipment or services described in this Section 9.

Notwithstanding any provision to the contrary, the indemnification in Section 17 shall not apply to Credit Card Liabilities.

Dealer's obligations in Section 9I above shall survive any termination or nonrenewal of this Agreement.

10. FINANCIAL RESPONSIBILITY

A) If requested by PSX, Dealer is required to submit business financial statements to PSX on an annual basis along with quarterly financial statements. Such business financial statements shall include balance sheets, income statements and cash flow in addition to applicable notes and schedules, and other information necessary for PSX to render a decision on a line of credit, and/or to furnish reasonable collateral, letters of credit, guarantees, and/or other security to support a line of credit in accordance with PSX's secured credit policy in effect from time to time. In the event PSX requests, and Dealer agrees to provide, a security interest, Dealer agrees to sign such financing statements, renewals, and other documents, as PSX may request, in order to perfect PSX's security interest or as necessary to provide public record of this security interest. Additionally, when requested by PSX, Dealer agrees to provide periodic business and/or personal financial statements, including balance sheets, income statements, and cash flow, in addition to applicable notes and schedules, and other information necessary for PSX to render such decision. Provided, however, neither execution of this Agreement nor anything contained herein shall give Dealer the right to receive credit, or constitute approval of a line of credit for Dealer, unless it is expressly granted by PSX. Similarly, nothing herein shall give Dealer the right to exceed any credit limit established for Dealer by PSX. Dealer's failure to provide such financial information and/or collateral satisfactory to PSX may result in PSX's denial of credit or restriction of credit to Dealer.

Furthermore, if in PSX's sole judgment, Dealer's ability to pay/creditworthiness is unsatisfactory or deteriorates, or if Dealer fails to fulfill the payment terms, PSX may without prejudice to any other lawful remedy, defer shipment until payment is made, deny credit and demand cash payment in advance or at time of delivery, or immediately terminate this Agreement pursuant to Section 26A of this Agreement.

B) If Dealer fails to make a timely payment of any amount due, in accordance with the terms hereof, then PSX shall, in addition to any other rights or remedies available to it, have the right, but not the obligation, to recoup or set off against any amount then or thereafter due to Dealer, including, but not limited to, any amounts due Dealer for the assignment to PSX of credit card invoices pursuant to Section 9 of this Agreement, and any amounts due Dealer under any PSX programs in which Dealer participates up to the total amount outstanding.

11. TAXES

In addition to applicable prices hereunder, Dealer shall pay to PSX, and shall be solely responsible for, any applicable federal, state and local taxes, license fees, inspection fees, environmental fees, airport fees or other charges imposed by any governmental or regulatory authority or agency on, or measured by, gross receipts from any Branded Products sold hereunder, or levied on the production, manufacture, transportation, sale, delivery, volumes sold or delivered, or other handling of Branded Products under this Agreement. Failure of PSX to add any such tax, fee, or charge to the invoice shall not relieve Dealer from any applicable liability otherwise due and payable. Dealer shall reimburse PSX for any interest and/or penalty assessed by any governmental or regulatory authority or agency when the penalty and/or interest is assessed as the result of false, incorrect or delinquent certification(s) made to PSX by Dealer. If Dealer is entitled to an exemption from any applicable taxes, which the applicable taxing authority requires to be collected by PSX, then, in order to permit PSX not to collect those taxes, Dealer shall obtain and provide to PSX current and valid exemption certificates and other required documentation relating to those taxes prior to the time of sale.

12. BRAND AND IMAGE STANDARDS

A) Consistent with the principles herein set forth, including but not limited to Section 22 of this Agreement, Dealer shall, and shall ensure that its FBO Location(s), conduct its independent business operations in compliance with the minimum standards set forth below (hereinafter called "Brand and Image Standards"), which will promote the continuing good reputation of the Phillips 66 Brand and dealers authorized to display the Phillips 66 Brand. Furthermore, Dealer shall comply with all updates, revisions, and further details of these Brand and Image Standards as set forth on the PSX Marketing website from time to time, which is incorporated herein by this reference. Dealer

shall have a reasonable amount of time after receipt of notice of such revisions to comply with such revisions.

i. Display, at a minimum, the approved Phillips 66 shield logo sign with internal lighting, where appropriate.

ii. Provide well maintained and clean lobby and waiting area for passengers.

iii. Provide well maintained and clean public restrooms.

iv. Provide well maintained ramp area clear of obstacles and debris.

v. Provide well maintained interior and exterior of facility.

vi. Provide, as necessary, flight planning area, including telephone and automated weather reporting equipment.

vii. Maintain hours of operation consistent with other airports in the region offering like services.

viii. Provide well maintained fuel farm area and fueling equipment, both fixed and mobile. At a minimum, this includes, but is not limited to, being properly stowed and free of rust.

ix. Facility personnel shall wear appropriate dress to reflect a consistent image that exhibits professionalism in the aviation service business; provided, however, Dealer shall not wear uniforms in competition with the Phillips 66 Brand. The Phillips 66 Aviation winged logo should be part of the prescribed uniform.

B) Any exceptions to the Brand and Image Standards require written consent from PSX.

C) FBO Location(s) may be inspected periodically by a PSX representative or third party contractor for compliance with these minimum Brand and Image Standards.

13. QUALITY ASSURANCE OBLIGATIONS

A) Consistent with the principles herein set forth, including, but not limited to, Section 22 of this Agreement, Dealer shall, and shall ensure that its FBO Location(s), conduct its independent business operations in compliance with the standards set forth in the PSX Quality Assurance Obligations Policy ("QAOP") which will promote the continuing good reputation of PSX and all other branded PSX aviation dealers. Dealer agrees to abide by all terms and conditions set forth in the QAOP, which may be amended from time to time, and which is fully set forth on the PSX website and incorporated herein by this reference, currently TrustedFuel.com. Dealer shall, and shall ensure that its FBO Location(s):

i. Operate in a safe and responsible manner; and

ii. Conduct operations in accordance with applicable industry standards. Dealer is responsible, at its sole expense, for providing any additional quality assurance measures that it deems necessary to protect its interests.

B) FBO Location(s) may be inspected periodically by a PSX representative or third party contractor. PSX reserves the right to suspend the sale of Branded Products to Dealer and its FBO Location(s) if Dealer is found to be non-compliant with any requirements in this Section 13. Failure by Dealer to pass quality control inspections and/or comply with any portion of this Section 13 may result in PSX requiring Dealer to pay for all related inspection costs, and may be grounds for termination as set forth in Section 26.

14. RIGHT TO INSPECT

Dealer shall permit such inspection of Dealer's business operations and its FBO Location(s) by PSX, its employees and agents, as may reasonably be required to determine whether Dealer and its FBO

Location(s) are in compliance with this Agreement. PSX may enter upon premises belonging to Dealer at any time and from time to time during normal business hours to inspect the premises and/or business records, and take samples and/or meter readings to verify compliance with this Agreement. At PSX's request, when the integrity of Branded Products or the use of the Phillips 66 Brand is in question, Dealer shall provide to PSX, within five (5) business days of PSX's request, copies of bills of lading and other relevant records regarding the FBO Location(s) under investigation, at Dealer's expense. Dealer shall and shall ensure that Dealer's employees or contractors at its FBO Location(s) cooperate fully and completely throughout the inspection process.

15. WARRANTIES

PSX warrants the title to all Branded Products sold hereunder and that such Branded Products meet or exceed the following ASTM product specifications at the time of sale:

- Jet A conforming to specification ASTM D-1655 (latest revision);
- Aviation gasoline 100LL conforming to specification ASTM D-910 (latest revision).

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED. THE WARRANTY OF MERCHANTABILITY, IN OTHER RESPECTS THAN EXPRESSLY SET FORTH HEREIN, AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, IN OTHER RESPECTS THAN EXPRESSLY SET FORTH HEREIN, ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

16. STORAGE TANKS, PIPES AND DISPENSERS

Dealer acknowledges that spills, overfills, release or escape of any Branded Products or other products sold at its FBO Location(s) from storage tanks, pipes or dispensers can constitute a serious environmental and safety hazard. Dealer shall observe all laws and regulations pertaining to handling, storage and distribution of Branded Products or other products used or distributed at its FBO Location(s) and to the release or escape thereof. Without limiting the generality of the preceding sentence, Dealer shall observe the laws and regulations pertaining to inventory control, to leak testing and detection, to inspection, certification and notification of compliance with applicable local, state, and federal laws, regulations, and standards for underground storage tanks, pipes and appurtenances, to construction, installation, operation, maintenance, repair, replacement and closure of tanks, pipes and dispensers, to actions correcting and remediating the escape of Branded Products or other products used or distributed at its FBO Location(s), and to financial responsibility.

17. INDEMNITY AND COMPLIANCE WITH LAWS

A) Dealer hereby agrees to indemnify, release, defend and hold harmless PSX, and its affiliates, and its and their officers, directors, employees, agents, and representatives ("PSX Indemnitees") from any and all claims, demands, suits, actions or other loss or liability, including all reasonable attorneys' fees and legal expenses, fines, and penalties (hereinafter collectively the "Liabilities"), arising out of any claim or cause of action at law, in contract or in equity, or any administrative or judicial action, concerning or relating to any loss, loss of use of, remediation of, or damage to property or natural resources (including, but not limited to, that arising from storage tank leaks or spills, waste disposal, or air emissions), compromise of any data (not including Credit Card Liabilities as set forth in Section 9 above), personal injuries, death, violation of any industry regulations or standards, governmental laws, regulations, ordinances, or orders or patent or trademark infringement or environmental claims related to or arising in any manner out of Dealer's or one of its FBO Location(s)' operations, including but not limited to, the loading, transportation, unloading, storage, handling, sale, or use of Branded Products or other products used or distributed at its FBO Location(s), or from Dealer's performance or failure to perform under this Agreement,

whether or not Dealer was negligent or otherwise at fault. Provided, however, such indemnification obligations shall not apply:

i. To the percentage of such Liabilities, if any, attributable to PSX Indemnitees' negligence or willful misconduct, but not including claims of ostensible agency, or

ii. When such Liabilities are caused by defects in the Branded Products not caused or contributed to by any act or omission of Dealer or Dealer's employees, contractors, agents or FBO Location(s).

Notwithstanding the foregoing, Dealer agrees, at its own expense, to defend any and all claims, demands, suits, or actions brought against PSX including, but not limited to, claims, demands, suits, or actions that would otherwise fall under the exceptions of subsection A)i. and A)ii. above.

B) PSX shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of PSX's selection. Once Dealer has assumed the defense of PSX, PSX shall have the right to participate in the defense of the claims or litigation, but it shall do so at its own expense.

C) Dealer's obligations in this Section 17 shall survive any termination of this Agreement.

D) Dealer agrees to acquaint itself and strictly comply with all applicable federal, state, and local laws, regulations, orders and ordinances relating to Dealer's business.

E) (<INSERT ONLY IF BADA INVOLVES A CA BASED FBO>) The Fuel sold by PSX to Dealer may contain one or more chemicals known to the State of California to cause cancer, birth defects or reproductive harm. Accordingly, in the event that the Fuel is sold at retail in California, Dealer shall ensure, and shall require its buyer to ensure, compliance with the Fuel warnings required pursuant to California Health and Safety Code section 25495 et seq., colloquially known as "Proposition 65" or "Prop 65," and 27 Cal. Code Reg. sec. 25102 et seq. (and in particular, the notice information required pursuant to California Health and Safety Code section 25600.2(b)(1)-(4)) (collectively, the "CA Regulation"). Dealer shall indemnify and hold PSX, its agents and employees, harmless against any fine, penalty, or liability, cost and expense (including without limitation court costs and attorneys' fees) arising out of any failure by Dealer to observe or comply with the CA Regulation.

18. INSURANCE

A) Insurance Requirements. Dealer agrees to procure and maintain at its expense during the Term of this Agreement insurance of the types and with limits of liability not less than those set out below:

i. Insurance that Dealer is obliged to carry under all applicable social, Worker's Compensation and Occupational Disease laws covering all of Dealer's employees performing work under this Agreement.

ii. Employer's Liability Insurance with a limit of not less than $1,000,000 per occurrence or the statutory requirements, whichever amount is greater.

iii. Aviation General Liability Insurance, including contractual liability coverage, with a combined single limit for bodily injury and property damage limit no less than $2,000,000 per occurrence

and in the annual aggregate with regards to aviation products and completed operations liability.

iv. Automobile Liability Insurance with a combined bodily injury and property damage limit of not less than $1,000,000 per occurrence or the statutory requirements, whichever amount is greater, for all owned, non-owned and/or leased vehicles.

v. Such other insurance in the types and amounts as Dealer deems necessary or as is required by applicable law. The above-stated minimum requirements are not intended to indicate the amounts and types of insurance that Dealer needs or may ultimately need.

B) Primary Insurance. All insurance coverage required above shall be primary to any insurance coverage available to any of the PSX Indemnitees.

C) Waiver of Subrogation and Additional Insured. The policies under Sections 18A(iii) and 18A(iv) above shall be endorsed to show PSX Indemnitees as additional insureds to the extent of the risks and liabilities assumed by Dealer under this Agreement. Further, all insurance policies obtained by Dealer shall contain a waiver of subrogation in favor of the PSX Indemnitees to the extent of the risks and liabilities assumed by Dealer under this Agreement.

D) Certificates of Insurance. None of the insurance required by this Section 18 shall be materially changed or cancelled without at least thirty (30) days' prior written notice to PSX. Upon request of PSX, Dealer shall furnish to PSX certificates of insurance demonstrating that Dealer has obtained the insurance coverage set out above. All coverages must be on forms reasonably acceptable to PSX. Neither review nor failure to review such certificates shall constitute approval thereof or be deemed to waive or diminish PSX's rights under this Agreement. In the event of an accident or loss potentially resulting in an insurance claim, Dealer, at PSX's request, shall provide PSX with certified copies of its insurance policies for which any PSX Indemnitee is shown as an additional insured or otherwise make the policy information available as reasonably required by PSX. This obligation shall survive the termination of this Agreement.

E) Failure to Comply. Neither failure to comply nor full compliance with the insurance provisions of this Agreement shall limit or relieve Dealer from its liability and indemnity obligations as provided for in this Agreement.

19. DEALER CLAIMS/LAWSUITS

A) PSX shall not be liable to Dealer for breach of this Agreement or for any other claim by Dealer, unless Dealer provides PSX with written notice of the incident (which forms the basis of the alleged breach or claim) within ninety (90) days of the occurrence of the incident and files suit within one (1) year after the occurrence of the incident, unless otherwise required by applicable law.

B) Notwithstanding Section 19A above, PSX shall not be liable to Dealer for any defect in quality or shortage in quantity of any Branded Products delivered hereunder unless (a) Dealer notifies PSX of Dealer's claim immediately but no later than within forty-eight (48) hours after delivery thereof, or in the case of any latent defect in quality, immediately, but no later than within forty-eight (48) hours after Dealer's discovery of such defect, and (b) PSX is given a reasonable opportunity to inspect the Branded Products and to take and test samples thereof. All delivery documentation, bill of lading, reports, retain samples, laboratory analyses and the like in Dealer's or its FBO Location(s)' possession or control must be preserved for PSX's inspection and review.

Notwithstanding any provision to the contrary in this Agreement, Dealer's failure to notify PSX of any shortage, defect or nonconformity shall constitute a waiver of that defect or nonconformity.

C) If the Branded Product is found to have been contaminated while in PSX's custody, PSX shall pay for such test. If the Branded Product is found to have been contaminated after it has left PSX's custody, Dealer shall pay for such test.

D) **IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST, OR ANTICIPATED PROFITS, WHETHER OR NOT CAUSED BY OR RESULTING FROM THE NEGLIGENCE OF SUCH PARTY.**

20. ELECTRONIC DATA INTERCHANGE

Dealer shall implement such forms of electronic data interchange ("EDI") as may be required by PSX for use in electronically exchanging volume information, contracts, purchase orders, invoices, payments and any such other forms of EDI as may be appropriate to enable the migration from traditional paper methods of conducting business and exchanging information to total, or nearly total, electronic methods. Dealer shall be required to use the PSX Marketing website. Other forms of EDI that PSX may require Dealer to implement during the Term of this Agreement are those that will enable PSX to improve processes and efficiency and gather information concerning compliance with this Agreement at its FBO Location(s), such as, but not limited to, volume information or measures of product integrity (to ensure compliance with Section 13 of this Agreement). In the event Dealer does not possess the specific EDI capability required by PSX, Dealer shall have a reasonable amount of time to obtain such capability, but no longer than six (6) months from the date PSX requires such capability.

21. FORCE MAJEURE

No failure or omission by either party in the performance of any obligation of this Agreement shall be deemed a breach of this Agreement nor create any liability for damages if same shall arise from any cause or causes beyond the reasonable control of a nonperforming party including, but not limited to, the following which for the purposes of this Agreement, shall be regarded as beyond the control of the parties: acts of God, acts of federal, state or local governments or agencies, compliance with requests, recommendations, rules, regulations or orders of any governmental authority or any officer, department, agency or instrumentality thereof, fire, storm, riot, sabotage, strikes, lockouts, disputes or differences with workers, accidents, equipment failure, reduction or unavailability of refined products or refinery capacity, failures or delays in transportation, or exhaustion, reduction or unavailability of petroleum products at the source of supply from which deliveries are made hereunder, or exhaustion or reduction or unavailability or delays in delivery of any product or material necessary in the manufacture of petroleum products deliverable hereunder, including crude oil, natural gas supplies and raw materials. In the event that either party finds it necessary to assert the existence of the foregoing force majeure, the Term of this Agreement shall not be extended for the duration of the force majeure event thereby but the estimated maximum contract volumes specified in Exhibit A of this Agreement shall be ratably reduced for the period during which such condition of force majeure may exist. IN NO EVENT SHALL PSX BE LIABLE FOR LOSS OF PROFITS OR SPECIAL OR CONSEQUENTIAL DAMAGES BECAUSE OF DELAY OR FAILURE TO MAKE DELIVERIES.

22. RELATIONSHIP OF PARTIES

A) Dealer is an independent business and is not, nor are its employees, an employee of PSX. PSX and Dealer are completely separate entities. They are not partners, general partners, limited partners, joint venturers, nor agents of each other in any sense whatsoever and neither has the power to obligate or bind the other.

B) Furthermore, nothing herein contained is intended, nor shall it be construed as reserving to PSX rights or powers to exercise control over the business practices of Dealer or to direct the manner

in which its business operations shall be conducted; except, PSX may take reasonable actions to promote compliance with the standards set forth in this Agreement and may provide such instructions, guidance, and recommendations as may be necessary and desirable to promote the mutual objectives of PSX and Dealer, including the promotion of public goodwill toward PSX's brand, and the reputation of the Branded Products. PSX shall have no control whatsoever over Dealer's resale prices of the Branded Products purchased hereunder.

23. APPLICABLE LAW

A) THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF TEXAS EXCEPT FOR ANY RULE OF TEXAS LAW WHICH WOULD MAKE THE LAW OF ANY OTHER JURISDICTION APPLICABLE.

B) The parties irrevocably submit to the jurisdiction and venue of the United States District Court for the Southern District of Texas for any litigation which arises from or relates to this Agreement or the termination thereof. If such court lacks jurisdiction or declines to exercise jurisdiction, the parties irrevocably submit to the jurisdiction and venue of the District Court of Harris County, Texas, for the resolution of such disputes.

C) All provisions of this Agreement are subject to such changes as are now or hereafter required to conform to any federal, state, and local laws, ordinances, and regulations of any governing authority or agency having jurisdiction, or purporting to have jurisdiction, over any of the matters or subjects involved in this Agreement. Provided, in the event any law effectively precludes PSX from selling Branded Products to Dealer or any of its Branded FBO(s), PSX may terminate this Agreement in whole or in part (as applicable).

24. TRANSFER OF AGREEMENT

A) This Agreement is personal to Dealer and assignable or transferable by Dealer only with the prior written consent of PSX, which consent shall not be unreasonably withheld. Dealer agrees that it shall not sell, assign, transfer, convey or give voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise (collectively "Transfer") a direct or indirect interest in this Agreement or the Dealer without PSX's prior written consent, which consent shall not be unreasonably withheld. A change of fifty percent (50%) or more of the control, voting or ownership interests in the Dealer's corporation, partnership or limited liability company, individually or in the aggregate, directly or indirectly, or any dissolution, merger, consolidation or other reorganization, or other arrangement having similar effect on the legal entity of the Dealer, is for all purposes of this Agreement considered a Transfer. Dealer understands, however, that PSX may condition its consent to any Transfer upon the agreement of the proposed transferee to (1) assume responsibility in writing for the financial and contractual liabilities to PSX of the Dealer, funds due upon debranding of a FBO Location(s) or termination or nonrenewal of this Agreement; (2) accept that all warning/default letters issued by PSX to Dealer transfer to the proposed transferee; and (3) simultaneously therewith enter into a mutual termination of this Agreement. Refusal of the proposed transferee to enter into such mutual termination and to accept the above liabilities shall conclusively be adequate reason for PSX to withhold its consent to the Transfer. Any attempt by Dealer to Transfer this Agreement or any rights hereunder without PSX's prior written consent shall be void and of no force and effect and shall be an event which makes termination of this Agreement reasonable, and upon the occurrence thereof PSX shall have the immediate right to terminate this Agreement.

B) Upon the death or incapacity of Dealer, if Dealer is not incorporated, the rights granted under this Agreement may be transferable as provided by state or federal law, or, if no valid state or federal law shall be applicable, to the spouse or adult child of Dealer, provided arrangements have been made satisfactory to PSX for the continued active and competent management of Dealer's business. Upon the death or incapacity of the controlling stockholder or stockholders, if Dealer is

incorporated, this Agreement will continue in effect, provided the active management of Dealer's business and the FBO Location(s) continues in a manner which fully and completely complies with all of the terms of this Agreement.

C) PSX may assign or transfer this Agreement, in whole or in part, or any interest arising under this Agreement without the prior written consent of the other party. Subject to the provisions of this Section 24C, this Agreement shall be binding upon the successors and assigns of the parties.

25. RECORDS AND AUDIT

Dealer shall maintain a true and correct set of records pertaining to all activities relating to its performance of this Agreement and all transactions related thereto. Dealer further agrees to retain all such records for a period of not less than two (2) years after completion of performance hereunder. Dealer agrees that a representative(s) authorized by PSX may audit any and all such records of Dealer during normal business hours at any time(s) during the Term of this Agreement and during the two-year period after completion of performance of this Agreement.

26. TERMINATION

A) Termination for Cause.

i. Either party may terminate this Agreement at any time for cause on the grounds listed below. The non-defaulting party shall give to the defaulting party a thirty (30) day cure period in which to remedy such cause(s) to avoid termination, except in circumstances of material default in which it would not be reasonable to give a thirty (30) day cure period. If such cause(s) are not remedied to the satisfaction of the non-defaulting party within the aforesaid cure period, the non-defaulting party shall give the other party written notice of termination, which shall state (a) the grounds for termination and (b) the date of termination. Such notice shall be given at least ninety (90) days in advance of the effective date of termination, except in circumstances in

which it would not be reasonable to give at least ninety (90) days' notice, in which event such notice shall be given on the earliest date that is reasonably practicable.

ii. The grounds for termination shall include, but are not limited to:

a) Failure by a party to pay to the other party in a timely manner when due all sums to which such other party is legally entitled hereunder;

b) Failure to comply with federal, state, or local laws or regulations in any manner relevant to this Agreement;

c) Fraud or criminal misconduct by the other party in any manner relevant to this Agreement;

d) Breach of any provision of this Agreement;

e) Any act or omission by Dealer which, in PSX's opinion, impairs the goodwill associated with the Phillips 66 Brand or constitutes a deceptive or unfair trade practice under applicable laws;

f) Failure by Dealer to purchase its entire requirements of the Branded Products from PSX (unless excused from such purchase pursuant to Section 4 of this Agreement); or

g) Failure by Dealer to pass quality control inspections and/or comply with Section 13.

B) Termination by PSX. PSX may terminate this Agreement at any time for economic or strategic supply reasons, in its sole discretion, by giving written notice to Dealer at least one hundred eighty (180) days prior to the effective date of termination.

27. CONFIDENTIALITY AGREEMENT

Dealer and PSX agree that in the course of dealing between the parties, each party may acquire Confidential Information. "Confidential Information" shall mean the terms and provisions of the Agreement and all information received by either party or either party's Agent (defined below) (i) that is not generally known in the industry in which the other party is or may become engaged, or (ii) which is marked "confidential" and/or "proprietary" about the other party's processes, services and products, including, without limitation, information relating to accounting, engineering, marketing, merchandising and selling, as well as customers and potential customers. The restrictions herein shall not apply with respect to Confidential Information which (i) is already available to the public; (ii) becomes available to the public through no fault of the receiving party, its employees or associates; (iii) is already known to the receiving party as shown by written records in the receiving party's possession at the time that the Confidential Information was received, provided that the source of such information was not bound by a confidentiality agreement with another party; or (iv) the receiving party is required to disclose by a governmental or judicial entity, provided that the receiving party notifies the disclosing party of the pending disclosure prior to such disclosure. Each party shall take all commercially reasonable affirmative steps to prevent disclosure of the other party's Confidential Information and maintain all Confidential Information, whether obtained either directly or incidentally and regardless of its form, confidential and safe from accidental or purposeful disclosure to any third party. Each party will disclose the other party's Confidential Information only to those of its employees, agents, attorneys, consultants, representatives, brokers, subcontractors, or independent contractors ("Agent(s)") who have a need to know or use such Confidential Information in the performance of this Agreement, and each party shall be responsible and liable for any unauthorized disclosure by its Agents. Each party shall make all reasonable efforts (including the design and implementation or use of an existing procedure for handling Confidential Information) to safeguard the other party's Confidential Information from disclosure to unauthorized individuals and for as long as the information disclosed remains

Confidential Information. For the purpose of this Agreement, this Section 27 shall survive the termination of this Agreement for a period of two (2) years.

28. MISCELLANEOUS

A) Non-Waiver. No waiver by either party of any default by the other party shall be construed as a waiver of any future defaults.

B) Headings. The headings used in this Agreement are for convenience only and shall not be used for the purpose of construction or interpretation. When the context so requires, the singular shall include the plural and vice versa.

C) Entire Agreement. This Agreement contains the entire agreement between the parties and terminates and supersedes all previous communications, representations and agreements (including, but not limited to, any prior Branded Aviation Dealer Sales Contract or Branded Aviation Dealer Agreement) between the parties with respect to the subject matter hereof. This Agreement does not extinguish any accrued rights under prior agreements. No change in or addition to this Agreement shall be effective unless in writing and signed by both parties.

D) No Exclusive Remedy. Wherever this Agreement grants either party a specific right or remedy with respect to a breach of Agreement or wrong of the other party, such right or remedy is in addition to any other legal or contract rights or remedies of the party enjoying the right or remedy.

E) Severability. If any provision of this Agreement is contrary to law, such provision shall be deemed either to be severable and stricken from the Agreement or modified so as to conform to law. If any law requires that this Agreement include any specific provisions, this Agreement shall be deemed to include such provisions. Other provisions of this Agreement shall be given effect to the extent possible. Any provision stricken, modified or added under this Section shall remain stricken or added only so long as the law requiring it remains effective.

F) Attorneys Fees. A prevailing party shall be entitled to all of its costs, expenses and reasonable attorneys fees if either party to this Agreement (i) retains counsel and/or institutes a lawsuit for violation of or to enforce any of the covenants, obligations and/or conditions of this Agreement, (ii) initiates a lawsuit against the other for a declaration of rights under this Agreement, or (iii) intervenes in a lawsuit in which the other is a party, to enforce or protect its interests or rights hereunder.

29. NOTICES

All notices between Dealer and PSX shall be in writing either on the PSX Marketing website, PSX's TrustedFuel.com or by e-mail, facsimile, U. S. mail (certified and postage pre-paid), overnight courier or personal delivery to the offices indicated below. Dealer and PSX shall advise each other of accurate e-mail and facsimile addresses.

Aviation Contract Administration	«DEALER _N»
Phillips 66 Company	Attn: «MAILOUT_CO»
970-02 Adams Bldg.	«DEALER _STREET»
411 S. Keeler Ave.	«MAILING_CITY», «MAIL_STATE»,«MAIL_ZIP»
Bartlesville, OK 74003	

The deposit in the United States mail of a properly addressed and postage pre-paid communication shall be deemed delivery to the party addressed.

30. LIQUIDATED DAMAGES

A) The parties agree and acknowledge that PSX has expended significant efforts and expense in building the value and goodwill associated with the Phillips 66 Brand licensed to Dealer under this Agreement. PSX will further expend significant efforts and expense to produce and deliver Branded

Products for resale by Dealer under said Phillips 66 Brand. Dealer agrees and acknowledges that PSX will be harmed by loss of sales to Dealer if Dealer does not purchase, in its entirety, each portion of the Volume Commitment set forth in Section 1 above, in the event this Agreement is terminated either by i) Dealer for any reason (including for reasons related to the sale or debrand of an FBO Location(s) out of the Phillips 66 Brand) (except for termination by the Dealer based upon the breach or default by PSX and PSX's failure to cure such breach or default), or ii) PSX due to Dealer's breach of this Agreement before the end of the Term. Therefore, upon such termination of this Agreement as set forth in the previous sentence and Dealer fails to meet each portion of the Volume Commitment, Dealer agrees that PSX shall be entitled to liquidated damages as stipulated below. These liquidated damages are in addition to any other damages or equitable relief available to PSX for breach of Dealer's obligations under this Agreement or any other agreements with Dealer including, but not limited to, promissory notes or amortization agreements. The parties agree that the damages stipulated below are a reasonable estimation of the amount of such damages as of the date of this Agreement and are not a penalty.

B) The amount of liquidated damages due and payable to PSX under this Section 30 as of the date of said breach or termination, whichever date is earlier, shall be an amount calculated by multiplying $.05 times each portion of the Volume Commitment less the amount of Branded Product (jet and aviation gasoline individually) purchased by Dealer under this Agreement and the Into-Plane Volume, as applicable. Under such circumstances, the amount contained in this Section of the Agreement shall be immediately collectible by PSX without substantiation of actual damages and losses by PSX and shall become immediately due and payable to PSX upon the date of said breach or termination.

31. ELECTRONIC DOCUMENTS AND SIGNATURES

A) Dealer agrees that PSX, in its sole discretion, may convert this Agreement into an electronic record and that in the event of any dispute involving this Agreement, a copy of such electronic record may serve as the exclusive original. The parties consent to conducting business via electronic transactions and recognize the validity, enforceability and admissibility of any electronic record or any electronic signature created in connection with this Agreement or the relationship contemplated by it. An electronic record of this Agreement and any electronic signature made in connection with this Agreement shall be deemed to have been signed by hand by each PSX and Dealer.

B) To the fullest extent permitted by applicable law, the parties hereby consent to the use of electronic signatures, including, but not limited to, facsimile signatures to enter into this Agreement, including all exhibits and any subsequent amendments or addenda related hereto, and to evidence the parties' intent to execute and enter into a binding agreement. Prior to execution of this Agreement, Dealer shall verify to PSX the officer or representative of Dealer's organization who is authorized to execute this Agreement, including all exhibits and any subsequent amendments and addenda. Dealer shall take all necessary steps at all times to prevent any other person from having knowledge of, gaining access to, or using such electronic signature without authorization. The foregoing shall not preclude the parties from executing this Agreement in the original hardcopy form. This Agreement may also be executed in counterparts, and electronically or by facsimile, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

32. CONFIDENTIALITY AND ETHICS AND CONFLICTS OF INTEREST

Conflicts of interest relating to this Agreement are strictly prohibited as set forth hereafter. Except as otherwise expressly provided herein, neither party to this Agreement, nor any employee or officer of either party, shall, directly or indirectly, pay salaries, commissions or fees to employees or officers of the other party, or designees of such employees or officers, or make to or receive from any employee or officer of the other, or designee of such employee or officer, any payments or rebates, or favor employees or officers

of the other party, or designees of such employees or officers, with gifts or entertainment of significant cost or value, or with services or goods sold at less than full market value, or enter into business arrangements with employees or officers of the other party, unless such employees or officers are acting as representatives of that other party.

33. NO THIRD PARTY BENEFICIARY

This Agreement is personal to Dealer and is intended for the sole use and benefit of Dealer and PSX. No FBO Location or any other third party is a third party beneficiary under this Agreement.

The parties have caused this Agreement to be executed as of the Effective Date.

Customer	**Phillips 66 Company**
Signature: {{Sig_es_:signer1:signature}}	**Signature: {{Sig_es_:signer2:signature}}**
Name Printed: {{N_es_:signer1:fullname}}	**Name Printed: {{N_es_:signer2:fullname}}**
Title: {{Ttl1_es_:title}}	**Title: {{Ttl2_es_:title}}**

INTO-PLANE FUEL CONTRACT

THIS AGREEMENT, is dated and entered into **August 16th, 2021**, ("Effective Date") by and between **Phillips 66 Company**, with an office in Bartlesville, Oklahoma, hereinafter referred to as "Seller", and City of Bartlesville with a principal place of business at the following address: 401 S. Johnstone Bartlesville, OK 74003 hereinafter referred to as "Purchaser".

WHEREAS, Purchaser may from time to time, wish to purchase aviation turbine fuel and/or aviation gasoline ("Fuel") from Seller at various locations where Seller will provide Fuel to Purchaser through independent contract fuel dealers ("Dealer(s)"); and

WHEREAS, the purpose of this Agreement is to provide general terms and provisions applicable to all into-plane sales.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. SALE AND PURCHASE

Seller agrees to sell and deliver and Purchaser agrees to purchase and receive the quantities and quality of Fuel(s) at the location(s) and prices, all as shall be mutually agreed upon by the parties from time to time. Such agreement as to terms applicable to sales does not, however, constitute a commitment to sell by Seller or to purchase by Purchaser at any time in the future.

Seller agrees to provide to Purchaser a list of locations where Dealers have agreed to service into-plane sales. Seller shall also supply each such participating Dealer with a list of into-plane customers authorized to be served at that location. Seller shall update each list from time to time as it deems necessary.

2. TERM

This Agreement shall commence on the date shown above and remain in effect for one year and thereafter from year to year; provided that, either party at any time may cancel the Agreement by giving the other party thirty (30) days advance written notice of such cancellation. Such notice may be transmitted electronically.

3. QUALITY

At the time of delivery by Seller to Purchaser, aviation turbine fuel shall meet then-current ASTM Specification D-1655 and aviation gasoline shall meet then-current ASTM Specification D-910.

WARNING: These Fuels can expose you to chemicals including benzene and toluene, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

4. DELIVERY

As noted above, the Fuel sold and purchased hereunder shall be delivered at the Dealer locations into Purchaser's airplanes by various Dealers. The parties mutually agree that said Dealers are independent contractors and not agents or employees of Seller and that Purchaser releases Seller and acknowledges and agrees that Seller shall not be held responsible by Purchaser, Purchaser's agents or employees for any negligence, alleged negligence or acts or omissions on the part of said Dealers.

The quantities of Fuel actually loaded into Purchaser's airplanes shall constitute the basis of volumetric measurements for the Fuel sold and purchased hereunder and so delivered to Purchaser and into Purchaser's airplanes. There shall be no obligation to make any deliveries into Purchaser's airplanes except during Dealers' scheduled hours of business.

5. PRICE

(a) The price for Fuel delivered hereunder shall be Seller's posted price applicable on the day of lifting at the Dealer's location.

6. INTO-PLANE DELIVERY SERVICE CHARGES

Into-plane delivery charges shall be those currently assessed by the Dealer at the delivery location at the time deliveries are made and Purchaser agrees to pay said charges upon the same terms as hereinafter provided for payment of charges for Fuel delivered hereunder.

7. NOTICES

Unless otherwise provided herein, all notices and other communications shall be directed to the parties as indicated herein below by certified or registered mail, return receipt requested, or electronically, or to such other address as a party may designate to the other in writing.

Seller: PHILLIPS 66 COMPANY
ATTN: DIRECTOR, UNBRANDED AVIATION
9TH FLOOR ADAMS BLDG., 411 S. KEELER AVE. BARTLESVILLE, OK 74004

Purchaser:

ATTN: City of Bartlesville
401 S. Johnstone, Bartlesville, OK 74003

Notices sent by mail shall be effective when deposited in the U.S. mail, postage prepaid and properly addressed. Any other notice shall be effective when received.

8. TAXES

Any tax, license fee, inspection fee, landing fee, airport fee, or other charge imposed by any governmental authority or other agency upon, or measured by the gross receipts from the Fuel sold and purchased hereunder, or on the production, manufacture, transportation, sale, use, delivery or other handling of such Fuel, or any component or feature thereof, or of this Agreement, existing at the time of any delivery hereunder, shall be added to the applicable price specified herein, and shall be paid by Purchaser to Seller if such tax, fee or charge is required to be, or is paid by Seller, provided that Purchaser shall not be liable to Seller for any tax imposed upon Seller's gross or net income. Failure to add such tax, fee or other charge to any invoice shall not relieve Purchaser from liability therefor.

9. PAYMENT

Purchaser shall pay Seller for all Fuel delivered hereunder on such terms as may from time to time be established by Seller. Seller may at any time suspend further deliveries under this Agreement or terminate this Agreement upon the failure by the Purchaser to pay to the Seller in a timely manner when due all sums to which Seller is legally entitled hereunder or at any time if in the sole and exclusive judgment of Seller such suspension of deliveries or termination appears warranted. If credit terms are extended, same may include a service charge on all amounts not paid within the time specified by Seller to Purchaser on Seller's invoice or otherwise. Should Purchaser elect to avail itself of the credit terms in effect at time of delivery, Purchaser shall be deemed to have consented to and agreed in all things to be bound by such credit terms, including the payment of a service charge if such should accrue.

10. WARRANTY

Seller warrants the title and that all Fuel delivered hereunder will comply with the specifications set forth in paragraph 3 above. THE FOREGOING WARRANTIES ARE EXCLUSIVE, AND ARE IN LIEU OF ALL OTHER WARRANTIES (WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED), INCLUDING WITHOUT LIMITATION WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, EVEN IF SUCH PURPOSE IS KNOWN TO SELLER.

11. FORCE MAJEURE

No failure or omission by Seller in the performance of any obligation of this Agreement shall be deemed a breach of this Agreement or create any liability for damages if the same shall arise from any cause or causes beyond Seller's control, including but not restricted to: acts of God, war, accident, fire, storm, flood, earthquake, or explosion, acts of or compliance with requests of federal, state or local government, or any agency thereof, strike, lockout, disputes with workmen, labor shortages, transportation embargoes or failures or delays in transportation, or exhaustion, reduction, or unavailability or delays in delivery of any product or material necessary in the manufacture of the fuel deliverable hereunder, including crude oil, natural gas, natural gasoline, supplies, raw materials, and ingredients. In addition, should Seller experience an exhaustion, reduction or unavailability of fuel at one or more of its sources of supply, regardless of the source from which deliveries are normally made hereunder, such shall also constitute force majeure hereunder to the extent that Seller deems it necessary to reduce the supply of fuel to be delivered to Purchaser hereunder in order for Seller to make deliveries to its other customers affected by any said exhaustion, reduction or unavailability; in this event the quantity to be delivered to Purchaser hereunder will only be reduced to the extent necessary for Seller to allocate its available fuel to all affected customers, including Purchaser. The method for allocation is described in section one of this agreement. In the event that Seller finds it necessary to avail itself of the foregoing force majeure provisions, this Agreement shall not be extended thereby but the quantities specified hereinabove shall be adjusted accordingly.

12. INDEMNIFICATION, LIMITATION OF LIABILITY, AND APPLICABLE LAW

(a) Purchaser shall defend, indemnify, release and hold Seller, its agents and employees, harmless against all claims, penalties, demands, causes of action, or other loss or liability (including reasonable out-of-pocket attorneys' fees and legal expenses) arising out of any administrative or judicial action or any injury or death of persons or damage or loss to property or natural resources (including, but not limited to, that arising from storage tank leaks or spills, waste disposal, or air emissions) caused by or happening in connection with Purchaser's performance or failure to perform under this Agreement, including but not limited to, Purchaser's loading, transportation, unloading, storage, handling, sale, or use of Fuel sold hereunder, whether or not Purchaser was negligent or otherwise at fault. Provided, however, such defense, indemnification, release and hold harmless obligations shall not apply to claims for loss, damage, injury or death: (A) to the extent Purchaser proves them to have been caused by Seller's negligence or willful misconduct, or (B) when caused by defects in Fuel sold by Seller hereunder not caused or contributed to by any act or omission of Purchaser or Purchaser's employees or agents. Seller shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of Seller's selection.

(b) Seller shall defend, indemnify, release and hold Purchaser, its agents and employees, harmless against all claims, penalties, demands, causes of action, or other loss or liability (including reasonable out-of-pocket attorneys' fees and legal expenses) arising out of any administrative or judicial action or any injury or death of persons or damage or loss to property or natural resources (including, but not limited to, that arising from storage tank leaks or spills, waste disposal, or air emissions) caused by or happening in connection with Seller's performance of or failure to perform under this Agreement, including but not limited to, Seller's loading, transportation, unloading, storage, handling, sale, or use of Fuel sold hereunder, whether or not Seller was negligent or otherwise at fault. Provided, however, such defense, indemnification, release and hold harmless obligations shall not apply to claims for loss, damage, injury or death to the extent caused by Purchaser's negligence or willful misconduct. Purchaser shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of Purchaser's selection.

(c) Purchaser's and Seller's obligations hereunder shall survive any termination of this Agreement.

(d) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST OR ANTICIPATED PROFITS, PROVIDED THE FOREGOING SHALL NOT APPLY TO ANY CLAIMS FOR INDEMNIFICATION UNDER THIS AGREEMENT BASED ON ANY THIRD-PARTY CLAIMS.

(e) THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF TEXAS EXCEPT FOR ANY RULE OF TEXAS LAW WHICH WOULD MAKE THE LAW OF ANY OTHER JURISDICTION APPLICABLE.

13. RECORDS AND AUDIT

Both parties hereto shall maintain a true and correct set of records pertaining to all activities relating to their performance of this Agreement and all transactions related thereto. The parties further agree to retain all such records for a period of not less than two (2) years after completion of performance hereunder. Any representative(s) authorized by a party may audit any and all such records of the other party at any time(s) during the term of this Agreement and during the two (2) year period after completion of performance of this Agreement.

14. ENTIRE AGREEMENT

This Agreement, with any possible subsequent written amendments or supplements and except as provided in paragraph 1 above, contains the entire agreement between the parties hereto relating to the sale and purchase of Fuel on an into-plane basis, and there are no promises, agreements or warranties (implied, expressed, oral or written) affecting it.

15. WAIVER

The right of either party to require strict performance by the other party of any and/or all obligations imposed upon such party by this Agreement shall not in any way be affected by previous waiver, forbearance or course of dealing.

16. HEADINGS

The headings used in this Agreement are for convenience only and shall not be used for the purpose of construction or interpretation. When the context so requires, the singular shall include the plural and vice versa.

17. RIGHTS AND REMEDIES

Wherever this Agreement grants either party a specific right or remedy with respect to a breach of contract or wrong of the other party, such right or remedy is in addition to any other legal or contractual rights or remedies of the party enjoying the right or remedy.

18. EXPENSES

Whenever this Agreement provides that a party shall or may do anything, it shall be at the party's own expense unless otherwise provided.

19. SEVERABILITY

If any provision of this Agreement is contrary to law, such provision shall be deemed either to be severable and stricken or modified so as to conform to law. If any law requires that this Agreement include any specific provisions, it shall be deemed to include such provisions. Other provisions of this Agreement shall be given effect to the extent possible. Any provision stricken, modified or added under this paragraph shall remain stricken or added only so long as the law requiring it remains effective.

20. SPECIAL CONDITIONS

If the arrangements which Seller has made hereunder for the delivery of Fuel at any one or more of the Dealer locations herein involved become unsatisfactory to Seller, and/or in the event the facilities requisite to the delivery of product hereunder at any one or more of the locations subject to the terms of this Agreement become unavailable, Seller shall be relieved from all obligations in connection with the sale and delivery to Purchaser of Fuel at such point or points upon giving written notice to Purchaser. If by reason of this paragraph Seller gives Purchaser written notice of the termination of this Agreement as to one or more locations, it is understood and agreed that those locations to which such notice does not apply shall remain subject to the terms and conditions of this Agreement.

21. ASSIGNABILITY

The terms, conditions and provisions of this Agreement shall extend to and be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns; provided,

however, that Purchaser shall not assign this Agreement or any right thereunder without the prior written consent of Seller. If Purchaser is a corporation, partnership, or other business entity, the sale, assignment or other disposition or transfer of any interest in such entity shall be deemed an assignment of this Agreement or rights thereunder for purposes of this paragraph.

22. CONFIDENTIALITY

Purchaser and Seller agree to keep all terms and conditions of this Agreement confidential between the parties.

23. ETHICS AND CONFLICTS OF INTEREST

Conflicts of interest relating to this Agreement are strictly prohibited. Except as otherwise expressly provided herein, neither party to this Agreement, nor any employee or officer of either party shall, directly or indirectly, pay salaries, commissions or fees to employees or officers of the other party, or designees of such employees or officers, or make to or receive from any employee or officer of the other, or designee of such employee or officer, any payments or rebates, or favor employees or officers of the other party, or designees of such employees or officers, with gifts or entertainment of significant cost or value, or with services or goods sold at less than full market value, or enter into business arrangements with employees or officers of the other party, unless such employees or officers are acting as representatives of that other party.

24. PRIOR CONTRACTS SUPERSEDED

This Agreement supersedes and takes the place of all former contracts, and amendments and Exhibits thereto, heretofore entered into between the parties covering the sale and purchase of into-plane deliveries of Fuel as herein described.

25. EXECUTION

This Agreement shall not be binding on Seller unless and until signed by Seller's authorized representative. Commencement of performance hereunder prior to signing by Seller, as herein stipulated, shall in no case be construed as a waiver by Seller of this requirement.

26. ELECTRONIC SIGNATURES

To the fullest extent permitted by applicable law, the parties hereby consent to the use of electronic signatures or facsimile signatures to enter into this Agreement, and to evidence the parties' intent to execute and enter into a binding agreement. This shall not preclude the parties from executing this Agreement in original hardcopy form. This Agreement may also be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

EXECUTED the day and year first above written.

City of Bartlesville	**Phillips 66 Company**
Signature: **{{Sig_es_:signer1:signature}}**	**Signature:** **{{Sig_es_:signer2:signature}}**
Name Printed: **{{N_es_:signer1:fullname}}**	**Name Printed:** **{{N_es_:signer2:fullname}}**
Title: {{Ttl1_es_:title}}	**Title: {{Ttl2_es_:title}}**

Agenda Item 12.
August 2, 2021
Prepared by Jess Kane, City Attorney
Legal Division

I. SUBJECT, ATTACHMENTS, AND BACKGROUND

Periodic report on the status of Collective Bargaining and outstanding Grievances between the City of Bartlesville and Bartlesville Fraternal Order of Police, Lodge 117 and the City of Bartlesville and the Bartlesville Professional Firefighters, Local 200. Possible executive session to discuss outstanding grievances and/or ongoing collective bargaining agreement negotiations pursuant to 25 O.S. Sec. 307(B).

Attachments:

Spreadsheet detailing outstanding grievances.

II. STAFF COMMENTS AND ANALYSIS

In an effort to keep the Bartlesville City Council informed as the status of status of Collective Bargaining and outstanding Grievances between the City of Bartlesville and Bartlesville Fraternal Order of Police, Lodge 117 and the City of Bartlesville and the Bartlesville Professional Firefighters, Local 200 the City Attorney will provide an oral report to the City Council periodically at monthly meetings.

If members of the City Council have specific questions about the hiring, appointment, promotion, demotion, disciplining or resignation of any individual public salaried officer or employee who is the subject of an outstanding grievance, such questions should be answered in executive session pursuant to 25 O.S. Sec. 307(B)(1).

If members of the City Council have specific questions about the status of negotiations concerning employees and representative of employee groups, such questions should be answered in executive session pursuant to 25 O.S. Sec. 307(B)(2).

If the City Council requires confidential communications with the City Attorney concerning a pending investigation, claim or action, which the City Council determines, on the advice of the City Attorney, that disclosure of will seriously impair the ability of the City Council to process the claim or conduct a pending investigation, litigation or proceeding in the public interest, such communications should be conducted in executive session pursuant to 21 O.S. Sec. 307(B)(4).

III. RECOMMENDED ACTION

None.

IAFF Grievances						
	Filed	**Outstanding**	**Settled**	**Arbitrated**	**Arbitrations Won**	**Arbitrations Lost**
Jan-20						
Feb-20	1		1			
Mar-20	2	1	1			
Apr-20						
May-20						
Jun-20						
Jul-20	2	2				
Aug-20						
Sep-20						
Oct-20						
Nov-20						
Dec-20	4	2		2	1	
Jan-21						
Feb-21						
Mar-21						
Apr-21						
May-21						
Jun-21						
TOTAL	9	5	2	2	1	0

FOP Grievances						
	Filed	**Outstanding**	**Settled**	**Arbitrated**	**Arbitrations Won**	**Arbitrations Lost**
Jan-20						
Feb-20						
Mar-20						
Apr-20	1		1			
May-20						
Jun-20						
Jul-20						
Aug-20						
Sep-20						
Oct-20						
Nov-20						
Dec-20						
Jan-21						
Feb-21						
Mar-21	1	1				
Apr-21						
May-21						
Jun-21						
TOTAL	2	1	1	0	0	0