

AGENDA  
SHAWNEE MUNICIPAL AUTHORITY  
APRIL 20, 2026 AT 6:00 PM  
COMMISSION CHAMBERS AT CITY HALL  
16 WEST 9TH STREET  
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body 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 public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF QUORUM

1. Consider approval of Consent Agenda:
  - a. Minutes from the March 16, 2026, regular meeting.
2. Consider and take action with respect to a resolution of the Shawnee Municipal Authority (the “Authority”) approving and authorizing a Clean Water SRF Loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$4,250,000.00; approving the issuance of a Promissory Note in the total aggregate principal amount of not to exceed \$4,250,000.00, secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Clean Water SRF Loan; designating a local trustee and approving and authorizing the execution of a Trust Agreement; approving and authorizing the execution of a Security Agreement; ratifying and confirming a lease agreement and operation and maintenance contract, as amended; ratifying and confirming a Sales Tax Agreement; approving various covenants; approving and authorizing payment of fees and expenses; authorizing a loan application and Professional Services Agreements; and containing other provisions relating thereto.
3. New Business
4. Adjournment

Respectfully submitted,



Lisa Lasyone, MMC, City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting, and necessary accommodations will be made. (ADA 28 CFR 36)

# DRAFT

## SHAWNEE MUNICIPAL AUTHORITY PROCEEDINGS

MARCH 16, 2026 AT 6:00 PM

The Shawnee Municipal Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma, met in Regular Session in the Commission Chambers at City Hall, 16 West 9th Street, Shawnee, Oklahoma on Monday, March 16, 2026, at 6:00 PM, pursuant to notice duly posted as prescribed by law on Thursday, March 12, 2026, at 3:32 PM. Chairman Stephens presided and called the meeting to order. Upon roll call, the following members were in attendance.

Eric Stephens  
Chairman/Mayor

Daniel Matthews  
Trustee Ward 1

Greta Shuler  
Trustee Ward 2

Chris Odneal  
Trustee Ward 3

Ashley Fichtner  
Trustee Ward 4

Mark Sehorn  
Trustee Ward 5

Lauren Richter  
Trustee Ward 6

ABSENT: None

CALL TO ORDER

DECLARATION OF QUORUM

1. Consider approval of Consent Agenda:

a. Minutes from the February 9, 2026, rescheduled regular meeting.

b. Budget amendments for Fiscal Year 2025-2026:

- Fund 501—Shawnee Municipal Authority Fund—To appropriate monies that were transferred into Fund 502 and should be Fund 501 for the SW Loop Project expenditures in FY26.
- Fund 501 — Shawnee Municipal Authority Fund — To appropriate monies received from Utility Service Communication CO to transfer to Repair & Maintenance - Other for the Water Tower Maintenance

expenditures in FY26.

A motion was made by Trustee Matthews, seconded by Trustee Richter, to approve Consent Agenda Item Nos. 1(a-b). Motion carried 7-0-0.

AYE: Matthews, Richter, Shuler, Odneal, Stephens, Fichtner, Sehorn

NAY: None

ABSTAIN: None

2. New Business

There was no new business. There was no new business.

3. Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (7:16 pm)

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ERIC STEPHENS, MAYOR  
CHAIRMAN

ATTEST:

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LISA LASYONE, MMC, CITY CLERK  
SECRETARY



City Manager Department  
16 W. 9th St.  
Shawnee, OK 74801  
ShawneeOK.org

**Date:** April 20, 2026  
**To:** Shawnee Municipal Authority  
**From:** Joe Vorndran, City Attorney  
**Subject:** Consider and take action with respect to a resolution of the Shawnee Municipal Authority (the "Authority") approving and authorizing a Clean Water SRF Loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$4,250,000.00; approving the issuance of a Promissory Note in the total aggregate principal amount of not to exceed \$4,250,000.00, secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Clean Water SRF Loan; designating a local trustee and approving and authorizing the execution of a Trust Agreement; approving and authorizing the execution of a Security Agreement; ratifying and confirming a lease agreement and operation and maintenance contract, as amended; ratifying and confirming a Sales Tax Agreement; approving various covenants; approving and authorizing payment of fees and expenses; authorizing a loan application and Professional Services Agreements; and containing other provisions relating thereto.

**Background:** The OWRB offers this program to assist with qualified municipal water projects. The resolution allows the City to participate in the program and creates eligibility for loan forgiveness. All projects contemplated have been previously identified as part of the CIP and all funds are budgeted. This program allows the City to leverage its planned investment and increase the scope of the project.

**Financial Impact:** Neutral

**Attachments:** Authority Resolution, Engagement Letter - OWRB CWSRF, Shawnee Muni Auth - BOKFS Engagement Letter 04-20-26

**Staff Recommendation:** Approval

THE BOARD OF TRUSTEES OF THE SHAWNEE MUNICIPAL AUTHORITY, SHAWNEE, OKLAHOMA, MET IN REGULAR SESSION IN THE CITY COMMISSION CHAMBERS AT CITY HALL IN SHAWNEE, OKLAHOMA, ON THE 20<sup>TH</sup> DAY OF APRIL, 2026, AT 6:00 O’CLOCK P.M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read by the City Attorney. Trustee \_\_\_\_\_, moved that the Resolution be adopted and Trustee \_\_\_\_\_, seconded the motion. The motion carrying with it the adoption of the Resolution prevailed by the following vote:

AYE:

NAY:

The Resolution as adopted is as follows:

**RESOLUTION NO. SMA \_\_\_\_\_**

A RESOLUTION OF THE SHAWNEE MUNICIPAL AUTHORITY (THE “AUTHORITY”) APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,250,000.00; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,250,000.00, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR CLEAN WATER SRF LOAN; DESIGNATING A LOCAL TRUSTEE AND APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A SECURITY AGREEMENT; RATIFYING AND CONFIRMING A LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT, AS AMENDED; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AUTHORIZING A LOAN APPLICATION AND PROFESSIONAL SERVICES AGREEMENTS; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Shawnee Municipal Authority, Pottawatomie County, Oklahoma (the “Borrower”), was organized under Title 60, Oklahoma Statutes 2021, Sections 176-180.4, as amended, for the purpose of furthering the public functions of the City of Shawnee, Oklahoma (the “City”); and

WHEREAS, the Borrower is authorized and has determined to construct improvements to the Borrower’s wastewater system and all related appurtenances (collectively, the “Project”) in order to better serve the customers of said Borrower and in payment of part of the cost thereof, to seek money in the form of a Clean Water SRF Loan from the Oklahoma Water Resources Board (the “Board”) in the amount of not to exceed \$4,250,000.00; and

WHEREAS, the Board has under consideration a loan application of the Borrower and the Borrower has determined to borrow money from the Board to accomplish the Project and to evidence such loan by the issuance of the Borrower’s Series 2026 Clean Water SRF Promissory Note to Oklahoma Water Resources Board in the original principal amount of not to exceed \$4,250,000.00 (the “Note”), said Note being secured by a pledge of revenue derived from Borrower’s water and sanitary sewer systems (hereinafter collectively, the “System”) and a year to year pledge of one-half of one percent (0.5%) of sales tax revenue (the “Sales Tax Revenue”) pledged pursuant to a Sales Tax Agreement dated as of February 1, 2023 (the “Sales Tax Agreement”), by and between the Borrower and the City, provided, said pledge and lien shall be on a parity in all respects with the Borrower’s (i) Series 2010A Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated October 14, 2010, issued in the original principal amount of \$1,485,000; (ii) Utility System Revenue Note, Series 2016 dated June 8, 2016, issued in the original principal amount of \$5,410,000; (iii) Series 2019 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated May 28, 2019, issued in the original principal amount of \$5,380,000; (iv) Series 2019A Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated September 19, 2019, issued in the original principal amount of \$37,920,000; (v) Series 2021A Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated May 28, 2021, issued in the original principal amount of \$17,460,000, (vi) Series 2021 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated June 24, 2021, issued in the original principal amount of \$13,500,000; and (vii) Series 2022 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated August 31, 2022, issued in the original principal amount of \$65,635,000 (collectively, the “Existing Indebtedness”); and

WHEREAS, it is the desire of the Borrower to authorize the execution and delivery of any and all documents necessary or attendant to the issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE SHAWNEE MUNICIPAL AUTHORITY, POTTAWATOMIE COUNTY, OKLAHOMA:

Section 1. Issuance of Note. The Borrower is hereby authorized to accept said loan and issue its Note payable to the Board and secured by a pledge of revenue derived from the operation of the System and the Sales Tax Revenue. The officers of the Borrower are hereby authorized and directed to execute said Note and to do any and all lawful things to effect said loan and secure said loan from the Board, provided that the principal amount of the Note shall be an amount not to exceed \$4,250,000.00, and the rate of interest on the Note shall be a fixed rate of interest of not to exceed four percent (4.00%) per annum inclusive of administrative fees of one half of one percent (1/2%)

with said principal amount and rate to be determined pursuant to a Certificate of Determination to be executed by the Chairman or Vice Chairman of the Borrower.

Section 2. Execution of Loan Agreement for Clean Water SRF Loan. The Loan Agreement for Clean Water SRF Loan by and between the Borrower and the Board (the “Loan Agreement”) is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said Loan Agreement.

Section 3. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BancFirst, Oklahoma City, Oklahoma, to serve as local trustee (the “Local Trustee”) of certain funds in relation to the Note. The Trust Agreement by and between the Borrower and the Local Trustee, pertaining to the Note (the “Trust Agreement”) is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said Trust Agreement.

Section 4. Execution of Security Agreement. The Security Agreement by the Borrower in favor of the Board (the “Security Agreement”), whereby the Borrower gives a lien on the revenues of the System and the Sales Tax Revenue to the Board to secure payment of the Note is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and do all other lawful things to carry out the terms and conditions of said Security Agreement.

Section 5. Lease Agreement and Operation and Maintenance Contract. The Lease Agreement and Operation and Maintenance Contract dated as of January 12, 1971, as amended by an Amendment to Lease Agreement dated as of July 1, 1990, between the City and the Borrower (collectively, the “Lease Agreement”), whereby the City leased to the Borrower its presently existing and hereafter acquired water and sanitary sewer systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

Section 6. Sales Tax Agreement. The Sales Tax Agreement dated as of February 1, 2023, by and between the City and the Borrower (the “Sales Tax Agreement”) pertaining to the year-to-year pledge of certain sales tax revenue for purposes of securing the Note and the Existing Indebtedness is hereby ratified and confirmed. The Borrower is further authorized to execute and deliver an Amended Sales Tax Agreement by and between the City and the Borrower, as directed by Bond Counsel.

Section 7. Covenants of Borrower Until payment in full of the Note and performance of all obligations owing to the Board under the Loan Agreement and the instruments executed pursuant hereto, unless the Board shall otherwise consent in writing, the Borrower hereby represents its intent to abide by and carry out the covenants contained in the Loan Agreement, which covenants are incorporated herein in their entirety.

Section 8. Project Costs Disbursement Account; Fees and Expenses. The Borrower is authorized to establish an account or accounts as necessary to serve as the Project Costs Disbursement Account described in the Loan Agreement. Upon closing of the referenced loan, the officers of the Borrower are hereby authorized to disburse (from loan proceeds or other available funds of the Borrower) those fees and expenses set forth on Exhibit “A” hereto, together with such other fees and

expenses as will be set forth on the Borrower's Closing Order to be executed in connection with the closing of the financing referenced herein.

Section 9. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the OWRB CWSRF Loan Program; and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized to execute said Application(s) for and on behalf of the Borrower. The Borrower is further authorized to advance to the Oklahoma Water Resources Board the necessary application fees in connection with the referenced Application(s).

Section 10. Professional Services Agreements. The Borrower is authorized to enter into legal services agreements with The Public Finance Law Group PLLC, as the Borrower's Bond Counsel and a professional services agreement with BOK Financial Securities, Inc., as the Borrower's Financial Advisor.

Section 11. Necessary Action. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby further authorized on behalf of the Borrower to accept, receive, execute, attest, seal and deliver the above mentioned documents and all additional documentation, certifications and instruments and to take such further actions as may be required in connection with the transactions contemplated hereby, and are further authorized to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Borrower, the execution and delivery of such documents being conclusive as to the approval of any terms contained therein.

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ADOPTED AND APPROVED THIS 20<sup>TH</sup> DAY OF APRIL, 2026.

SHAWNEE MUNICIPAL AUTHORITY

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Chairman

ATTEST:

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Secretary

(SEAL)

STATE OF OKLAHOMA            )  
  )SS  
COUNTY OF POTTAWATOMIE    )

I, the undersigned, Secretary of the Shawnee Municipal Authority, Pottawatomie County, Oklahoma, an Oklahoma public trust, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Board of Trustees of said public trust held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 20<sup>TH</sup> DAY OF APRIL, 2026.

(SEAL)

\_\_\_\_\_  
Secretary

EXHIBIT "A"

Fees and Expenses Paid at Closing

The Public Finance Law Group PLLC		
Legal Fee and Reimbursement of Expenses	1.50% of the principal amount of the Note plus \$2,500	
BOK Financial Securities, Inc.		
Financial Advisory Fee and Expenses	1.50% of the principal amount of the Note plus \$2,500	
BancFirst		
Trustee Bank Acceptance Fee		\$500.00

## AGREEMENT FOR BOND COUNSEL SERVICES

SHAWNEE MUNICIPAL AUTHORITY,  
POTTAWATOMIE COUNTY, OKLAHOMA  
CLEAN WATER SRF PROMISSORY NOTE  
TO OKLAHOMA WATER RESOURCES BOARD

THIS AGREEMENT is entered into as of April 20, 2026, by and among THE PUBLIC FINANCE LAW GROUP PLLC (“PFLG”) and SHAWNEE MUNICIPAL AUTHORITY (the “Issuer”), an Oklahoma public trust, as follows:

### RECITALS

WHEREAS, the Issuer desires to engage PFLG as bond counsel in connection with the financing of certain wastewater system improvements, along with related costs (the “Project”); and

WHEREAS, to finance all or a portion of the costs of the Project, the Issuer intends to issue or cause to be issued its Promissory Note to Oklahoma Water Resources Board through the CWSRF Loan Program (referred to herein as the “Note”); and

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

### AGREEMENTS

#### **1. Scope of Services.**

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

- (1) Consultation with representatives of the Issuer, including the manager of the Issuer, Joe Vorndran, Esq. (Stuart & Clover PLLC), as counsel to the Issuer (“Issuer’s Counsel”), Finance Director, financing and accounting staff, financial advisors, and others, with respect to the timing, terms and legal structure of the proposed financings.
- (2) Preparation of loan, security and other authorizing documents (the “Financing Documents”).

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

PFLG and Issuer acknowledge that Issuer shall be represented by Issuer's Counsel for the purpose of rendering day-to-day and ongoing general counsel legal services. PFLG shall circulate documents to and coordinate its services with Issuer's Counsel to the extent requested by Issuer or Issuer's Counsel.

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

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

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

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

## **2. Compensation and Reimbursements.**

A. *Compensation for Bond Counsel Services.* For services as bond counsel to the Issuer, PFLG shall be paid a fixed fee at the time of issuance of the Note of one and one-half percent (1.50%) of the principal amount of the Note.

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

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

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

## **3. Nature of Engagement; Relationships With Other Parties.**

The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with

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

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

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

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

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

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

**5. Counterparts.**

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

**6. Notices.**

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

PFLG:

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

ISSUER:

Shawnee Municipal Authority  
16 West 9<sup>th</sup> Street  
PO Box 1448  
Shawnee, OK 74802  
Attention: City Manager

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

**THE PUBLIC FINANCE LAW GROUP PLLC**

By: \_\_\_\_\_  
Allan A. Brooks III

**SHAWNEE MUNICIPAL AUTHORITY**

By: \_\_\_\_\_  
Title: Chairman  
Date: April 20, 2026

**Public Finance Division**

499 W. Sheridan Avenue, Suite 2500  
Oklahoma City, Oklahoma 73102

**ENGAGEMENT LETTER**

April 20, 2026

Shawnee Municipal Authority  
16 West 9<sup>th</sup> Street  
Shawnee, OK 74801-6812

RE: Financial Advisory Services provided to the Shawnee Municipal Authority.

The purpose of this Engagement Letter (“Letter” or “Agreement”) is to set forth the role BOK Financial Securities, Inc. (“BOKFS”) proposes to serve and the responsibilities BOKFS proposes to assume as Financial Advisor to the Shawnee Municipal Authority (the “Issuer”) in connection with the Issuer’s anticipated 2026 Oklahoma Water Resources Board financing in the approximate amount of \$4,250,000 (the “Note”). Upon the Issuer’s acceptance, this Letter will serve as our mutual agreement with respect to the terms and conditions of our engagement as Issuer’s financial advisor, effective on the date this Letter is executed by Issuer (the “Effective Date”).

**1. Scope of Services.** BOKFS will provide, on an on-going basis, professional financial advisory services to the Issuer on financial matters, including but not limited to the issuance and term of the Note. BOKFS will assist the Issuer with each of the following tasks associated with the planning, structuring, marketing, pricing, and closing of the proposed financing. BOKFS will only serve as financial advisor in the investment of bond proceeds if mutually agreed upon in writing.

- a. The Services shall be limited to the services described in **Appendix A** (the “Scope of Services”).
- b. Except as otherwise provided in the Scope of Services, BOKFS shall not be responsible for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about BOKFS provided by BOKFS for inclusion in such documents.
- c. The Scope of Services does not (i) include tax, legal, accounting or engineering advice with respect to any Issue, Product or opinion or certificate rendered by counsel or other person at closing, or (ii) include review or advice with respect to any feasibility study, except, in either case, as may be prepared by BOKFS as provided for in the Scope of Services.
- d. Issuer agrees not to represent, publicly or to any specific person, that BOKFS is Issuer’s independent registered municipal advisor (“IRMA”) for purposes of Securities and Exchange Commission (“SEC”) Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”) without BOKFS’s prior written consent.



- e. When BOKFS is designated by Issuer as its IRMA, BOKFS shall be Issuer's IRMA solely with respect to the Scope of Services. BOKFS shall not be responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to BOKFS, its personnel and its role as IRMA in Issuer's written representation contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B), shall be subject to prior approval by BOKFS.

**2. BOKFS's Regulatory Obligations When Providing Services to Issuer.**

- a. MSRB Rule G-42 requires that BOKFS (i) make a reasonable inquiry as to the facts that are relevant to Issuer's determination whether to proceed with a course of action or that form the basis for any advice provided by BOKFS to Issuer, (ii) undertake a reasonable investigation to determine that BOKFS is not basing any recommendation on materially inaccurate or incomplete information, and (iii) use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on Issuer's behalf.
- b. Issuer agrees to cooperate, and to cause Issuer's agents to cooperate, with BOKFS in carrying out the foregoing requirements, including providing to BOKFS accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such requirements. In addition, Issuer agrees that, to the extent Issuer requests BOKFS provide advice with regard to any recommendation made by a third party, Issuer will provide to BOKFS written direction to do so and all information Issuer has received from such third party relating to its recommendation.

**3. Compensation.** For the above services, Issuer agrees to pay BOKFS the following:

- a. A fee of one and one-half percent (1.5%) of the original gross proceeds of the Note. It is understood that BOKFS will be paid no fee unless funding of the Note is successfully completed.
- b. An expense reimbursement of \$2,500.00 with additional expenses above such amount to be approved by the Issuer.
- c. Offering document printing, bond printing, DTC and CUSIP registration, mailing and distribution, bond counsel, rating fees, paying agent fees and other normal costs of issuance are the responsibility of the Issuer. To the extent the Issuer desires or it is convenient for BOKFS to front these types of expenditures, BOKFS will be reimbursed on actual costs and such reimbursement will be separate from BOKFS's out-of-pocket expense reimbursement. BOKFS's out-of-pocket expense reimbursement covers such items as copies, mail, fax, overnight delivery, report printing, and other hard costs.

**4. Term of this Engagement.** This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. If Issuer exercises its option to terminate this Agreement, Issuer agrees to reimburse BOKFS for any of the expenses described in paragraph 3 advanced by BOKFS pursuant to paragraph 3 above and to pay BOKFS for its services rendered prior to such termination in a mutually acceptable amount which shall be negotiated in good faith between the parties.



5. **Limitation on Liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of the obligations of BOKFS arising under this Letter:

- a. The liability of BOKFS and its associated persons to Issuer for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, shall be limited to the fees paid or otherwise due and payable under this Agreement; and,
- b. BOKFS and its associated persons shall have no liability to Issuer for any other loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from Issuer's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by BOKFS to Issuer; and,
- c. No recourse shall be had against BOKFS for loss, damage, liability, cost or expense (whether direct, indirect or consequential) arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or Product or otherwise relating to the tax treatment of any Issue or Product, or in connection with any opinion or certificate rendered by counsel or any other party.

6. **Required Disclosures.**

- a. MSRB Rule G-42 requires that BOKFS provide Issuer with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in BOKFS's Disclosure Statement attached hereto as **Appendix B.**
- b. MSRB Rule G-10 requires disclosure of the following:
  - i. BOKFS is registered with the SEC and the MSRB.
  - ii. The MSRB's website address is [www.msrb.org](http://www.msrb.org).
  - iii. The MSRB's "Information for Municipal Advisory Clients" brochure describes the protections that may be provided by the MSRB and how to file a complaint with the appropriate regulatory authority. That brochure can be found at the following web address:

<https://www.msrb.org/sites/default/files/MSRB-MA-Clients-Brochure.pdf>

7. **Information.** While this Agreement is in effect, the Issuer will provide or cause to be provided to BOKFS information concerning the Issuer, including information relating to the Issuer's financial condition and results of operations, the sources of security and payment for any Issuer Obligations, and such other information (excluding confidential information unless such confidential information is reasonably required to provide disclosure to investors) as BOKFS reasonably considers necessary or appropriate to perform its duties under this Agreement. Such information will be taken or derived from the Issuer's official records or from other sources that the Issuer determines and reasonably believes to be accurate and reliable, based on due inquiry and investigation by the Issuer of such other sources; and, the Issuer expressly authorizes BOKFS to rely on the accuracy and completeness of all information provided to BOKFS by or on behalf of the Issuer.



**8. Compliance with Applicable Law.** As an inducement to BOKFS to enter into this Agreement and to perform the duties assigned to it hereunder, the Issuer agrees to comply with all applicable requirements and procedures imposed by law relating to, and all covenants and agreements entered into in connection with or supporting, the validity, enforceability and terms (including terms relating to security and tax-exemption) of any Issuer Obligations. As an inducement to Issuer to enter into this Agreement and to perform the duties assigned to it hereunder, BOKFS agrees to comply with all applicable requirements and procedures imposed by law relating to, and all covenants and agreements entered into in connection with or supporting, the validity, enforceability and terms (including terms relating to security and tax-exemption) of any services by BOKFS. Further, BOKFS represents and warrants to Issuer that BOKFS is familiar with the applicable law, rules, regulations, and requirements in order for BOKFS to perform BOKFS's professional services as a highly qualified and competent provider of said financial services.

**9. Professional Judgment.** All actions and recommendations of BOKFS pursuant to this Agreement will be based on BOKFS's professional judgment and information that the Issuer provides to BOKFS. BOKFS's recommendations represent its professional judgment based upon BOKFS's review of information provided by the Issuer, to the extent that BOKFS deems such information relevant to any such recommendation, and BOKFS's own knowledge and experience. BOKFS's recommendations will be offered in reliance upon the representations and covenants contained in the agreements, certificates and other instruments prepared, executed and delivered in connection with Issuer Obligations. The Issuer understands and agrees that this Agreement shall constitute an agreement for professional services, and neither the performance by BOKFS of its duties hereunder nor the implementation of any of BOKFS's recommendations shall be construed by the Issuer as a guarantee of any result or outcome.

**10. Waiver of Jury Trial.** Each party agrees to waive any right to a trial by jury with respect to any claim, counterclaim or action arising out of or in connection with this agreement or the transactions contemplated hereby or the relationship between the parties. Parties agree to waive consequential and punitive damages.

**11. Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws (excluding conflict of law provisions) of Oklahoma.

**12. Litigation Expenses.** In any action brought by a party hereto to enforce the obligations of any other party hereto, the prevailing party shall be entitled to collect from the opposing party to such action such party's reasonable litigation costs and attorney's fees and expenses (including court costs, reasonable fees of accountants and experts, and other expenses incidental to the litigation).

**13. Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of Issuer and BOKFS, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

**14. Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties. This Agreement and all of the provisions of this Agreement shall be deemed drafted by all of the parties hereto.

**15. Course of Dealing.** No course of prior dealing involving any of the parties hereto and no usage of trade shall be relevant or advisable to interpret, supplement, explain or vary any of the terms of this Agreement, except as expressly provided herein.



**16. Interpretation.** This Agreement shall not be interpreted strictly for or against any party, but solely in accordance with the fair meaning of the provisions hereof to effectuate the purposes and intent of this Agreement.

**17. No Reliance.** Each party hereto has entered into this Agreement based solely upon the agreements, representations and warranties expressly set forth herein and upon its own knowledge and investigation. No party has relied on any representation or warranty of any other party hereto except any such representations and warranties as are expressly set forth herein.

**18. Authority.** Each of the persons signing below on behalf of a party hereto represents and warrants that he or she has full requisite power and authority to execute and deliver this Agreement on behalf of the party for whom he or she is signing and to bind such party to the terms and conditions of this Agreement.

**19. Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**20. No Third-Party Beneficiary.** This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**21. Amendment.** This Agreement may be amended or modified only in a writing that has been signed by the parties hereto and which specifically references this Agreement.

**22. Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument. This Agreement shall become effective only when all of the parties hereto shall have executed the original or counterpart hereof. This Agreement may be executed and delivered by digitized transmission of a counterpart signature page hereof.

[Signatures on Following Page]



This Agreement shall supersede all previous agreements or engagement letters or contracts by and between the parties and shall become effective upon acceptance by the Issuer as evidenced by the execution hereof by the Issuer's signatory as set forth below.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and do hereby warrant and represent that their respective signatories whose signatures appear below have been and are on the date of the Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement.

Dated this 20<sup>th</sup> day of April 2026.

BOK FINANCIAL SECURITIES, INC.

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CHRIS GANDER  
INVESTMENT BANKER

This engagement letter accepted by and on behalf of the Shawnee Municipal Authority this 20<sup>th</sup> day of April 2026.

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CHAIRMAN



## APPENDIX A SCOPE OF SERVICES

- A. Review financing needs of the Issuer.
- B. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue, and service debt. The survey is to include an analysis of the existing debt structure as compared with the existing and projected sources of revenue which may be pledged to secure payment of debt service.
- C. Assist in developing a plan of financing for needs of the Issuer, and/or financing alternatives available to the Issuer.
- D. Submit recommendations to the Issuer on the debt instruments and structure of debt under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, tax levy tables, options for prior payment, security provisions, timing of sale and any other additional provisions designed to make the issue attractive to investors.
- E. Advise the Issuer of current bond market conditions, forthcoming bond issues, and other general information and economic data which might normally be expected to influence interest rates or bidding conditions.
- F. Assist in developing presentations and applications for submission to rating agencies, and preparation of Official Statement and other offering materials.
- G. Assist in developing information for any election to be presented to voters related to the approval of the issuance of debt or levying additional ad valorem and/or sales tax including, but not limited to, providing information to local media and presentations to local civic organizations.
- H. Cooperate with Bond Counsel in preparation of legal documents and in assuring compliance with legal and regulatory requirements.
- I. Handle sale of all debt issues, both competitive and negotiated.
- J. Assist Bond Counsel with the preparation of forms and documents required for filing with the IRS or other governmental agency.
- K. Advise and assist with compliance with continuing disclosure regulations and/or agreements pertaining thereto.
- L. Provide follow-up analysis after issues, and analysis and advice regarding financing needs and questions during term of engagement.
- M. While serving as the Issuer's financial advisor, BOKFS agrees to refrain from acting as the underwriter in the original issue of any Issuer securities.
- N. On an as-needed basis, BOKFS shall meet and consult with the administration and staff of the Issuer concerning the Scope of Services herein. BOKFS shall further be available to confer with the Issuer and legal staff concerning questions regarding the business of the Issuer.
- O. BOKFS agrees to present all notice of sale documents and/or financing agreements, and other documents, to the Issuer's administration for advance review and approval.



## APPENDIX B DISCLOSURE STATEMENT

This Disclosure Statement is provided by BOK Financial Securities, Inc. (“BOKFS”) to the Shawnee Municipal Authority (the “Issuer”) in connection with the Engagement Letter (the “Letter”) relating to the Issuer’s 2026 Oklahoma Water Resources Board financing in the approximate amount of \$4,200,000 and is dated as of the same date as the Letter.

### **Part A – Disclosures of Conflicts of Interest**

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interests, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. Accordingly, BOKFS makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services, together with explanations of how BOKFS addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, BOKFS mitigates such conflicts through its adherence to its fiduciary duty to Issuer, which includes a duty of loyalty. This duty of loyalty obligates BOKFS to deal honestly and with the utmost good faith with Issuer and to act in Issuer’s best interests without regard to BOKFS’s financial or other interests. Furthermore, because BOKFS is a broker-dealer, its financial advisory supervisory structure provides strong safeguards against individuals at BOKFS potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

***Affiliate Conflict.*** Any affiliate of BOKFS (the “Affiliate”) may provide certain advice, services and/or products to Issuer that may be directly related to BOKFS’s activities. The Affiliate’s business with Issuer could create an incentive for BOKFS to recommend to Issuer a course of action designed to increase the level of Issuer’s business activities with the Affiliate or to recommend against a course of action that would reduce or eliminate Issuer’s business activities with the Affiliate. This potential conflict is mitigated by the fact that Affiliate is subject to comprehensive regulatory review.

#### ***Compensation-Based Conflicts.***

If the fees due under the Engagement Letter will be based on the size of the Issue and the payment of such fees shall be contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for BOKFS to recommend unnecessary or disadvantageous financings. This conflict of interest is mitigated by the general mitigations described above.

If the fees due under the Engagement Letter are in a fixed amount established at the outset of the Engagement Letter. The amount is usually based upon an analysis by Issuer and BOKFS of, among other things, the expected duration and complexity of the transaction and the Scope of Services. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, BOKFS may suffer a loss. Thus, BOKFS may recommend less time-consuming alternatives. This conflict of interest is mitigated by the general mitigations described above.

If the fees due under the Engagement Letter are based on hourly fees of BOKFS’s personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Issuer and BOKFS do not agree on a reasonable maximum amount at the outset of the engagement, because BOKFS does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.



***Other Financial Advisor or Underwriting Relationships.*** BOKFS serves a wide variety of other clients that may have interests that could have an impact on Issuer's interests. For example, BOKFS serves as financial advisor to other financial advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Issuer under this Engagement Letter. BOKFS also serves as underwriter for other clients including various state agencies and their bond programs. These other clients may have competing interests. BOKFS could face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair BOKFS's ability to fulfill its regulatory duties to Issuer.

***Broker-Dealer and Investment Advisory Business.*** BOKFS is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities, in addition to serving as a financial advisor or underwriter. Such securities-related activities may be undertaken on behalf of, or as counterparty to, Issuer, Issuer's personnel, and current or potential investors in Issuer's securities. These other clients may have interests in conflict with Issuer's interests and the interests of such other clients could create the incentive for BOKFS to make recommendations to Issuer that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from BOKFS effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of BOKFS that operate independently from BOKFS's financial advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by BOKFS to Issuer.

***Secondary Market Transactions in Issuer's Securities.*** BOKFS may take a principal position in securities, including Issuer's securities, and therefore BOKFS could have interests in conflict with Issuer with respect to the value of Issuer's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, BOKFS or its affiliates may submit orders for and acquire Issuer's securities issued in an Issue under the Engagement Letter from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Issuer in that it could create the incentive for BOKFS to make recommendations to Issuer that could result in more advantageous pricing of Issuer's securities in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of BOKFS that operate independently from BOKFS's financial advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by BOKFS to Issuer.

## **Part B – Disclosures of Information Regarding Legal Events and Disciplinary History**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to the client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, BOKFS sets out below required disclosures and related information in connection with such disclosures.

***Material Legal or Disciplinary Event.*** There are no legal or disciplinary events that are material to Issuer's evaluation of BOKFS or the integrity of BOKFS's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.

March 11, 2019 – An order was issued against BOKFS by the U.S. Securities and Exchange Commission. The allegations were related to inadequate disclosure language in the firm's ADV brochures regarding the selection of mutual fund share classes that contain 12b-1 fees when share classes that did not contain 12b-1 fees were potentially available. The



violations were self-reported by BOKFS pursuant to the SEC’s Share Class Selection Disclosure (“SCSD”) Initiative.

December 3, 2024 – A regulatory action against BOKFS was resolved via an Acceptance, Waiver & Consent. The allegations were related to inaccurately reported transactions in TRACE-eligible securities that did not include mark-up, mark-down, or commission without the required no remuneration (NR) indicator. The Findings also stated that BOKFS failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with FINRA 6730(D).

Details of the events disclosed above can be found in the firm’s Form MA available through the SEC’s EDGAR Filing System (<https://www.sec.gov/edgar/searchedgar/companysearch.html>). Search for “BOK Financial Securities, Inc.” to view the firm’s most recent Form MA filing.

***Future Supplemental Disclosures.*** As required by MSRB Rule G-42, this Section may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest, or to provide updated information with regard to any legal or disciplinary events of BOKFS. BOKFS will provide Issuer with any such supplement or amendment as it becomes available throughout the term of the Engagement Letter.



## APPENDIX C FIXED RATE NOTES

The following is a general description of the financial characteristics and security structures of fixed rate municipal notes (“Fixed Rate Notes”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Notes.

### Financial Characteristics

**Maturity and Interest.** Fixed Rate Notes are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Fixed Rate Notes are generally amortized, with principal and interest payment frequencies and final maturity dates fixed at the time of issuance. The final maturity date typically will range between 10 and 30 years from the date of issuance.

A Fixed Rate Note may be subject to prepayment, which allows you, at your option, to pay the Note in full prior to its final maturity date. However, such prepayment may be (i) subject to a prepayment penalty, and/or (ii) may be accomplished only after the passage of a specified period of time, and/or (iii) may be subject to certain other limitations, all as would be pursuant to the terms of the Note or Loan Agreement originally negotiated with the Lender(s).

### Security

Payment of principal of and interest on a Fixed Rate Note may be backed by various types of pledges and forms of security, including but not limited to:

1. Gross or Net Revenues of the Issuer, for example as in the case of a municipality’s Public Works Authority or Economic Development Authority;
2. Certain Sales Tax Revenues available to the Issuer;
3. In the case of a Bond Anticipation Note, anticipated proceeds of a near-future bond issuance; and,
4. A combination of types of pledges and forms of security as may be legally available to the Issuer.

The description above regarding “Security” is only a brief summary of certain possible security provisions for Fixed Rate Notes and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the note.

### Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Notes, including some or all of the following:

**Issuer Default Risk.** You may be in default if the funds pledged to secure your note are not sufficient to pay debt service on the note when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the Lender(s) may be able to exercise a range of available remedies against you. For example, budgetary adjustments may be necessary to enable you to provide sufficient funds to pay debt service on the note. If the note is a revenue



note, you may be required to take steps to increase the available revenues that are pledged as security for the note. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer debt obligations at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the note.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

**Prepayment Risk.** Your ability to pay the note in full prior to maturity may be limited, depending on the terms of any prepayment provisions negotiated with the Lender(s). In the event that interest rates decline, you may be unable to refinance and take advantage of such lower interest rates to reduce debt service.

**Refinancing Risk.** If your financing plan contemplates refinancing some or all of the note at maturity (for example, if you have a balloon payment due on the final maturity date), market conditions or changes in law may limit or prevent you from refinancing the note when required.

**Reinvestment Risk.** You may have proceeds of the note to invest prior to the time that you are able to spend those proceeds for the authorized purpose(s). Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the note, which is referred to as “negative arbitrage”.

**Tax Compliance Risk.** The issuance of Qualified Tax-Exempt Obligations is subject to certain requirements under the United States Internal Revenue Code (the “Code”), as enforced by the Internal Revenue Service (“IRS”).

The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their interest expense allocable to tax exempt obligations acquired after August 7, 1986, unless the interest is paid on obligations which are designated “Qualified Tax-Exempt Obligations” under Section 265 of the Code.

You must take certain steps and make certain representations prior to the issuance of such Qualified Tax-Exempt Obligations. You also must covenant to take certain additional actions after issuance of Qualified Tax-Exempt Obligations. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the note to become taxable retroactively, which may result in an increase in the effective interest rate that you pay on the note. The IRS also may audit you or your debt obligations, in some cases on a random basis and in other cases targeted to specific types of debt obligations or tax concerns. If the note is declared taxable, or if you are subject to audit, the market price of your debt obligations may be adversely affected. Further, your ability to issue other tax-exempt debt obligations may also be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the note.