

\$8,720,000.00
SPENCER UTILITIES AUTHORITY
Utility System Revenue Bonds
Series 2020

REVENUE BOND INDENTURE

T A B L E O F C O N T E N T S

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ACKNOWLEDGMENTS

Law Office
JOHANNING & BYROM, PLLC
Oklahoma City



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08/21/2020 01:44:40 PM
Bk:RE14450 Pg:1669 Pgs:63 BOND
State of Oklahoma
County of Oklahoma
Oklahoma County Clerk
David B. Hooten

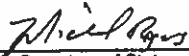
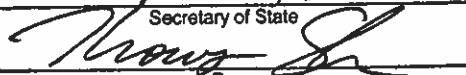
TRUSTEE:

BANCFIRST
CORPORATE TRUST DEPARTMENT
P. O. BOX 26883
OKLAHOMA CITY, OKLAHOMA 73126-0883

RECEIVED MTG TAX \$5.00 Fee Only
PAID on 8/21/2020 RCPT# 7
FORREST "BUTCH" FREEMAN
OKLA CO. TREASURER See Affidavit
BY KELLI WALLACE DEPUTY

FILED
OK SECRETARY OF STATE

File No. 907.14
Date 9-2-2020 Time 10:04am


Secretary of State

By

RECEIVED
OK SEC. OF STATE
AUG 31 2020

**SPENCER UTILITIES AUTHORITY
SERIES 2020
REVENUE BOND INDENTURE**

THIS INDENTURE, dated the 1st day of August, 2020, entered into by and between the Trustees of the Spencer Utilities Authority, a public trust, created and existing under the laws of the State of Oklahoma (hereinafter collectively called the "Authority"), and BancFirst, in its capacity as bond trustee hereunder (hereinafter called the "Bank" or "Trustee"), a state banking corporation organized under the laws of the State of Oklahoma with its principal office in the City of Oklahoma City, Oklahoma,

WITNESSETH:

WHEREAS, the Authority has determined that it is necessary to provide funds for capital improvements of the Authority and the City of Spencer, Oklahoma and to refund and retire certain outstanding indebtedness and obligations of the Authority and the City (the "Project"); and

WHEREAS, the Authority has determined to finance the Project by the issuance of the Bonds hereinafter authorized;

Bond Indenture 1

63/142

Johanning & Byrom, PLLC
Attorneys at Law
3134 NW 23rd Street mlev
Oklahoma City, OK 73107

IT IS AGREED:

ARTICLE I

ISSUANCE AND FORM OF BONDS

SECTION 1. Bonds and Amount Authorized.

There hereby is authorized the issuance, registration and delivery of the Spencer Utilities Authority Utility System Revenue Bonds, Series 2020 (the "Bonds"), in the aggregate principal amount of Eight Million Seven Hundred Twenty Thousand Dollars (\$8,720,000.00), consisting of \$2,190,000.00 principal amount of Capital Improvement Revenue Bonds, Tax-Exempt Series 2020A (the "Series 2020A Tax-Exempt Bonds") and \$6,530,000.00 principal amount of Utility System Revenue Bonds, Taxable Refunding Series 2020B (the "Series 2020B Taxable Bonds"). Said Bonds shall be dated as of August 12, 2020, and shall be in the form, bear interest at the respective rates, and shall mature as hereinafter provided in this Article I. The Series 2020A Tax-Exempt Bonds and the Series 2020B Taxable Bonds and any bonds issued subsequent hereto pursuant to and secured by this Indenture shall hereinafter collectively be referred to as the "Bonds").

(1.1) (Form of Series 2020A Tax-Exempt Bonds) The Bonds authorized as aforesaid to be delivered at the option of the respective holders thereof and the Authority on or after August 12, 2020 (the "Series 2020A Tax-Exempt Bonds"), shall be in substantially the following form (the provisions so included in said Series 2020A Tax-Exempt Bonds being a part of the terms and provisions of this Indenture to the same effect as though separately set forth in this Indenture by Article and Section hereof):

UNITED STATES OF AMERICA

State of Oklahoma

**SPENCER UTILITIES AUTHORITY
CAPITAL IMPROVEMENT REVENUE BOND, TAX-EXEMPT
SERIES 2020A**

Number:		Dollars:	
Maturity Date:	Interest Rate: %	Date of Original Issue: August 12, 2020	CUSIP:

The Spencer Utilities Authority (hereinafter called the "Authority"), a public trust, created and existing under the laws of the State of Oklahoma, particularly, but not exclusively Title 60, Oklahoma Statutes 2019 Supplement, Sections 176 to 180.3, inclusive, and the Oklahoma Trust Act, by which laws the Trustees of the Authority are designated as an agency of the State of Oklahoma and a regularly constituted authority of the City of Spencer, Oklahoma, a governmental subdivision of said State and the beneficiary of the Authority, hereby promises to pay to CEDE & CO., or registered assigns, on the date specified above, unless previously redeemed, the principal sum of _____ DOLLARS and in like manner to pay interest on such sum (computed on the basis of a 360-day year) from January 1 or July 1 next preceding the date of registration of this Series 2020A Tax-Exempt Bond, unless this Series 2020A Tax-Exempt Bond is registered as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless registered between July 1, 2020 and January 1, 2021, in which case it shall bear interest from August 12, 2020, at the rate per annum specified above, semi-annually on January 1 and July 1 of each year, commencing January 1, 2021, until such principal sum is paid.

The principal of this Series 2020A Tax-Exempt Bond is payable to the registered owner hereof or his transferee upon presentation when due, in lawful money of the United States of America, at the principal office of BancFirst, Oklahoma City, Oklahoma (the "Trustee"). Payment of the semi-annual interest hereon shall be made by check or draft, mailed on or before the respective interest payment date to the person in whose name this Series 2020A Tax-Exempt Bond is registered, at

his address as it appears on the registration records maintained by the Trustee on behalf of the Authority, at the close of business on the fifteenth (15th) day of the month (whether or not a business day) next preceding each respective interest payment date.

This Series 2020A Tax-Exempt Bond is one of an issue of the Spencer Utilities Authority Capital Improvement Revenue Bonds, Tax-Exempt Series 2020A, issued by the Authority under date of August 12, 2020, in registered form, in the aggregate principal amount of \$2,190,000.00, ratably secured under an Indenture denominated the "Spencer Utilities Authority Series 2020 Revenue Bond Indenture", dated August 1, 2020, entered into between the Trustees of the Authority and the Trustee (the "Indenture"). This Series 2020A Tax-Exempt Bond is executed by direction of the Trustees of the Authority solely in their capacity as Trustees and not as individuals; and all personal liability of the Trustees of the Authority, its officers and agents, and of the beneficiary of the Authority, of whatsoever kind or nature, is released and waived by the acceptance of this Series 2020A Tax-Exempt Bond, and the same also is released and waived by the Indenture.

This Series 2020A Tax-Exempt Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Spencer Utilities Authority, a public trust, acting by and through its legally constituted, qualified and acting Trustees, has caused this Series 2020A Tax-Exempt Bond to be executed by its Chairman of Trustees, to be attested by its Secretary of Trustees and the seal of the Authority to be impressed hereon, all as of the 12th day of August, 2020.

SPENCER UTILITIES AUTHORITY

By _____
Chairman of Trustees

ATTEST: (Seal)

Secretary of Trustees

Date of Registration and Authentication:

CERTIFICATE OF AUTHENTICATION

This Series 2020A Tax-Exempt Bond is one of the Series 2020A Tax-Exempt Bonds of the issue described in the within mentioned Indenture.

BANCFIRST, OKLAHOMA CITY,
OKLAHOMA, as Trustee

By _____
Authorized Signature

This Series 2020A Tax-Exempt Bond is one of an issue of \$2,190,000.00 principal amount of Capital Improvement Revenue Bonds, Tax-Exempt Series 2020A (the "Series 2020A Tax-Exempt Bonds") issued by the Authority under date of August 12, 2020. The Series 2020A Tax-Exempt Bonds are issuable only in the form of registered bonds in the denomination of \$5,000.00 each or any multiple thereof of the same maturity. The Authority and the Trustee shall not be required to issue or transfer any Series 2020A Tax-Exempt Bond during a period beginning at the close of business on the fifteenth (15th) day of the month next preceding any interest payment date and ending at the close of business on that interest payment date. The Authority and the Trustee may deem and treat the registered owner hereof as absolute owner hereof (whether or not this Series 2020A Tax-Exempt Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

This Series 2020A Tax-Exempt Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Series 2020A Tax-Exempt Bond. Upon such transfer, a new Series 2020A Tax-Exempt Bond or Series 2020A Tax-Exempt Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. A Series 2020A Tax-Exempt Bond may be transferred upon the registration books upon delivery to the Trustee of the Series 2020A Tax-Exempt Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of the Series 2020A Tax-Exempt Bond to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Series 2020A Tax-Exempt Bond. In all cases of the transfer of a Series 2020A Tax-Exempt Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2020A Tax-Exempt Bond or Series 2020A Tax-Exempt Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Indenture.

In case any default as defined in the Indenture shall occur, the principal amount of this Series 2020A Tax-Exempt Bond, together with the principal amount of all other outstanding indebtedness issued under the Indenture and any indenture

supplemental thereto, may be declared immediately due and payable in the manner and with the effect provided in the Indenture.

The Authority hereby expressly designates the Series 2020A Tax-Exempt Bonds as constituting a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

The Authority hereby certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this Series 2020A Tax-Exempt Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Series 2020A Tax-Exempt Bond and the issue of Series 2020A Tax-Exempt Bonds of which it is a part, together with all other obligations of the Authority does not exceed or violate any constitutional or statutory limitation applicable to the Authority.

MANDATORY REDEMPTION

Series 2020A Tax-Exempt Bonds maturing July 1, 2035, are subject to mandatory sinking fund redemption and payment prior to maturity on July 1, 2021, and on each July 1, thereafter through July 1, 2035, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, as follows:

<u>Mandatory Redemption Dates</u>	<u>Principal</u>
July 1, 2021	\$20,000.00
July 1, 2022	\$45,000.00
July 1, 2023	\$45,000.00
July 1, 2024	\$50,000.00
July 1, 2025	\$50,000.00
July 1, 2026	\$50,000.00
July 1, 2027	\$55,000.00
July 1, 2028	\$55,000.00
July 1, 2029	\$55,000.00
July 1, 2030	\$60,000.00
July 1, 2031	\$60,000.00

July 1, 2032	\$ 60,000.00
July 1, 2033	\$ 65,000.00
July 1, 2034	\$ 65,000.00
July 1, 2035	\$1,455,000.00

OPTIONAL REDEMPTION

Series 2020A Tax-Exempt Bonds maturing July 1, 2026 and thereafter, shall be subject to redemption prior to maturity at the option of the Authority, on at least thirty (30) days notice (to be provided in the manner hereafter stated), in whole or in part at any time, in inverse order of maturity and by lot within a maturity on any date, on and after July 1, 2025, at par, plus accrued interest to the date of redemption.

In the event that less than all of the outstanding Series 2020A Tax-Exempt Bonds shall be called for redemption prior to maturity, then Series 2020A Tax-Exempt Bonds shall be called for redemption only in inverse order of maturity and Series 2020A Tax-Exempt Bonds called for mandatory or optional redemption within a maturity shall be selected by lot by the Trustee in a fair and equitable manner. When any Series 2020A Tax-Exempt Bond shall be called for either mandatory or optional redemption, whether all or less than all of the outstanding Series 2020A Tax-Exempt Bonds shall be redeemed prior to maturity, the Trustee, at least thirty (30) days before the date fixed for such redemption, shall mail to the registered owner thereof, by first-class mail, postage prepaid, a notice of such call for redemption, specifying the date fixed for redemption, the number of each Series 2020A Tax-Exempt Bond to be redeemed and amount of principal thereof to be redeemed. Failure to give such notice or any defect therein shall not affect the validity of any proceeding for the redemption of other Series 2020A Tax-Exempt Bonds. Interest on the principal of any Series 2020A Tax-Exempt Bond so called for redemption shall cease to accrue after the date fixed for redemption.

TRANSFER

FOR VALUE RECEIVED, _____
("Transferor"), the undersigned, hereby sells, assigns and transfers unto
_____ ("Transferee") the within
Series 2020A Tax-Exempt Bond and all rights thereunder, and hereby irrevocably
constitutes and appoints _____
as attorney to transfer the within Series 2020A Tax-Exempt Bond on the books kept
for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member firm of the
New York Stock Exchange or a
commercial Bank or trust company.

NOTICE: No transfer will be
registered and no new Series 2020A
Tax-Exempt Bond will be issued in the
name of the Transferee, unless the
signature to this assignment
corresponds with the name as it
appears upon the face of the within
Series 2020A Tax-Exempt Bond in
every particular, without alteration,
enlargement, or any change
whatsoever.

(End of Series 2020A Tax-Exempt Bond Form)

(1.2) (Form of Series 2020B Taxable Bonds) The Series 2020B
Taxable Bonds authorized as aforesaid shall be in substantially the following form
(the provisions so included in said Series 2020B Taxable Bonds being a part of the
terms and provisions of this Indenture to the same effect as though separately set
forth in this Indenture by Article and Section hereof):

**SPENCER UTILITIES AUTHORITY
UTILITY SYSTEM REVENUE BOND, TAXABLE REFUNDING
SERIES 2020B**

Number: _____ **Dollars:** _____

Maturity Date:	Interest Rate:	Date of Original Issue:	CUSIP:
	%	August 12, 2020	

The Spencer Utilities Authority (hereinafter called the "Authority"), a public trust, created and existing under the laws of the State of Oklahoma, particularly, but not exclusively Title 60, Oklahoma Statutes 2019 Supplement, Sections 176 to 180.3, inclusive, and the Oklahoma Trust Act, by which laws the Trustees of the Authority are designated as an agency of the State of Oklahoma and a regularly constituted authority of the City of Spencer, Oklahoma (a governmental subdivision of said State and the beneficiary of the Authority), hereby promises to pay to CEDE & CO., or registered assigns, on the date specified above, unless previously redeemed, the principal sum of _____ DOLLARS and in like manner to pay interest on such sum (computed on the basis of a 360-day year) from January 1 or July 1 next preceding the date of registration of this Series 2020B Taxable Bond, unless this Series 2020B Taxable Bond is registered as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless registered between July 1, 2020 and January 1, 2021, in which case it shall bear interest from August 12, 2020, at the rate per annum specified above, semi-annually on January 1 and July 1 of each year, commencing January 1, 2021, until such principal sum is paid.

The principal of this Series 2020B Taxable Bond is payable to the registered owner hereof or his transferee upon presentation when due, in lawful money of the United States of America, at the principal corporate trust office of BancFirst, Oklahoma City, Oklahoma (the "Trustee"). Payment of the interest hereon shall be made by check or draft mailed on or before the respective interest payment date to the person in whose name this Series 2020B Taxable Bond is registered, at his address

as it appears on the registration records maintained by the Trustee on behalf of the Authority, at the close of business on the fifteenth (15th) day of the month (whether or not a business day) next preceding each respective interest payment date.

This Series 2020B Taxable Bond is one of an issue of the Spencer Utilities Authority Utility System Revenue Bonds, Taxable Refunding Series 2020B, issued by the Authority under date of August 12, 2020, in registered form in the aggregate principal amount of \$6,530,000.00, ratably secured under an Indenture denominated the "Spencer Utilities Authority Series 2020 Revenue Bond Indenture", dated August 1, 2020, entered into between the Trustees of the Authority and the Trustee (the "Indenture"). This Series 2020B Taxable Bond is executed by direction of the Trustees of the Authority solely in their capacity as Trustees and not as individuals; and all personal liability of the Trustees of the Authority, its officers and agents, and of the beneficiary of the Authority, of whatsoever kind or nature, is released and waived by the acceptance of this Series 2020B Taxable Bond, and the same also is released and waived by the Indenture.

This Series 2020B Taxable Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Spencer Utilities Authority, a public trust, acting by and through its legally constituted, qualified and acting Trustees, has caused this Series 2020B Taxable Bond to be executed by its Chairman of Trustees, to be attested by its Secretary of Trustees and the seal of the Authority to be printed hereon, all as of the 12th day of August, 2020.

SPENCER UTILITIES AUTHORITY

By _____
Chairman of Trustees

ATTEST: (Seal)

Secretary of Trustees

Date of Registration and Authentication:

CERTIFICATE OF AUTHENTICATION

This Series 2020B Taxable Bond is one of the Series 2020B Taxable Bonds of the issue described in the within mentioned Indenture.

**BANCFIRST, OKLAHOMA CITY,
OKLAHOMA, as Trustee**

By _____
Authorized Signature

This Series 2020B Taxable Bond is one of an issue of \$6,530,000.00 principal amount of Utility System Revenue Bonds, Taxable Series 2020B issued by the Authority under date of August 12, 2020. The Series 2020B Taxable Bonds are issuable only in the form of registered bonds in the denomination of \$5,000.00 each or any integral multiple thereof of the same maturity. The Authority and the Trustee shall not be required to issue or transfer any Series 2020B Taxable Bonds during a period beginning at the close of business on the fifteenth (15th) day of the month next preceding any interest payment date and ending at the close of business on that interest payment date. The Authority and the Trustee may deem and treat the registered owner hereof as absolute owner hereof (whether or not this Series 2020B Taxable Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

This Series 2020B Taxable Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture. In the event that this Series 2020B Taxable Bond shall no longer be registered as provided by in Section 7 of this Article I, this Series 2020B Taxable Bond shall be transferable upon surrender and cancellation of this Series 2020B Taxable Bond. Upon such transfer, a new Series 2020B Taxable Bond or Series 2020B Taxable Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. A Series 2020B Taxable Bond may be transferred upon the registration books upon delivery to the Trustee of the Series 2020B Taxable Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of the Series 2020B Taxable Bond to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Series 2020B Taxable Bond. In all cases of the transfer of a Series 2020B Taxable Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees, a new fully registered Series 2020B Taxable Bond or Series 2020B Taxable Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Indenture.

In case any default as defined in the Indenture shall occur, the principal amount of this Series 2020B Taxable Bond, together with the principal amount of all other outstanding indebtedness secured under the Indenture and any indenture

supplemental thereto, may be declared immediately due and payable in the manner and with the effect provided in the Indenture.

The Authority hereby certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to, and in the execution and delivery of the Indenture and issuance of this Series 2020B Taxable Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Series 2020B Taxable Bond and the issue of Series 2020B Taxable Bonds of which it is a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation applicable to the Authority.

MANDATORY REDEMPTION

Series 2020B Taxable Bonds maturing July 1, 2035, are subject to mandatory sinking fund redemption and payment prior to maturity on July 1, 2021, and on each July 1, thereafter through July 1, 2035, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, as follows:

<u>Mandatory Redemption Dates</u>	<u>Principal</u>
July 1, 2021	\$ 40,000.00
July 1, 2022	\$ 75,000.00
July 1, 2023	\$ 80,000.00
July 1, 2024	\$ 80,000.00
July 1, 2025	\$ 85,000.00
July 1, 2026	\$ 115,000.00
July 1, 2027	\$ 120,000.00
July 1, 2028	\$ 125,000.00
July 1, 2029	\$ 135,000.00
July 1, 2030	\$ 135,000.00
July 1, 2031	\$ 150,000.00
July 1, 2032	\$ 160,000.00
July 1, 2033	\$ 165,000.00
July 1, 2034	\$ 180,000.00
July 1, 2035	\$4,885,000.00

OPTIONAL REDEMPTION

Series 2020B Taxable Bonds maturing July 1, 2026 and thereafter, shall be subject to redemption prior to maturity at the option of the Authority, on at least thirty (30) days notice (to be provided in the manner hereafter stated), in whole or in part at any time, in inverse order of maturity and by lot within a maturity on any date, on and after July 1, 2025, at par, plus accrued interest to the date of redemption.

In the event that less than all of the outstanding Series 2020B Taxable Bonds shall be called for redemption prior to maturity, then Series 2020B Taxable Bonds shall be called for redemption only in inverse order of maturity and Series 2020B Taxable Bonds called for mandatory or optional redemption within a maturity shall be selected by lot by the Trustee in a fair and equitable manner. When any Series 2020B Taxable Bond shall be called for either mandatory or optional redemption, whether all or less than all of the outstanding Series 2020B Taxable Bonds shall be redeemed prior to maturity, the Trustee, at least thirty (30) days before the date fixed for such redemption, shall mail to the registered owner thereof, by first-class mail, postage prepaid, a notice of such call for redemption, specifying the date fixed for redemption, the number of each Series 2020B Taxable Bond to be redeemed and amount of principal thereof to be redeemed. Failure to give such notice or any defect therein shall not affect the validity of any proceeding for the redemption of other Series 2020B Taxable Bonds. Interest on the principal of any Series 2020B Taxable Bond so called for redemption shall cease to accrue after the date fixed for redemption.

TRANSFER

FOR VALUE RECEIVED, _____
("Transferor"), the undersigned, hereby sells, assigns and transfers unto
_____ ("Transferee")
the within Series 2020B Taxable Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____
as attorney to transfer the within Series 2020B Taxable Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member firm of the
New York Stock Exchange or a
commercial bank or trust .

NOTICE: No transfer will be
registered and no new Series 2020B
Taxable Bond will be issued in the
name of the Transferee, unless the
signature of this assignment
corresponds with the name as it
appears upon the face of the within
Series 2020B Taxable Bond in every
particular, without alteration,
enlargement or any change
whatsoever.

(End of Series 2020B Taxable Bond Form)

(1.3) (Denomination of Bonds) The Bonds authorized to be issued
and delivered by Section 1 of this Article shall be issued and delivered to the
purchaser or purchasers thereof in the aggregate principal amount of
\$8,720,000.00, and shall be in denominations of \$5,000.00 or any multiple thereof
for each maturity thereof.

SECTION 2. **Maturities of Series 2020A Tax-Exempt Bonds and Interest Rate.**

(2.1) **(Denomination of Bonds)** The Series 2020A Tax-Exempt Bonds authorized to be issued and delivered by Section 1 of this Article shall be issued and delivered to the purchaser or purchasers thereof in the aggregate principal amount of \$2,190,000.00 and shall be in denominations of \$5,000.00 or any multiple thereof for each maturity.

(2.2) **(Maturities of Series 2020A Tax-Exempt Bonds and Interest Rate)** All of the Series 2020A Tax-Exempt Bonds authorized by Section 1 of this Article shall be numbered 1 consecutively upward, shall be expressed to mature serially and shall bear interest at the annual rate as follows:

<u>Principal Amount</u>	<u>Mature July 1</u>	<u>Interest Rate (Per Annum)</u>
\$2,190,000.00	2035	4.00%

SECTION 3. **Maturities of Series 2020B Taxable Bonds and Interest Rate.**

(3.1) **(Denomination of Bonds)** The Series 2020B Taxable Bonds authorized to be issued and delivered by Section 1 of this Article shall be issued and delivered to the purchaser or purchasers thereof in the aggregate principal amount of \$6,530,000.00 and shall be in denominations of \$5,000.00 or any multiple thereof for each maturity.

(3.2) **(Maturities of Series 2020B Taxable Bonds and Interest Rate)** The Series 2020B Taxable Bonds authorized by Section 1 of this Article I shall be numbered 1 consecutively upward, shall be expressed to mature serially, and shall bear interest at the annual rate as follows:

<u>Principal Amount</u>	<u>Mature July 1</u>	<u>Interest Rate (Per Annum)</u>
\$6,530,000.00	2035	4.20%

SECTION 4. **Exchange of Bonds.**

Whenever any Bond shall be exchanged at the principal corporate trust office of the Bank for another Bond of different denomination, the Bank, upon receipt of a written instrument of transfer satisfactory to the Bank duly executed by the registered owner or his legal representative duly authorized in writing, shall cancel upon the face thereof and upon the Registration Record the Bond surrendered in such exchange. If the supply of Bonds for making of exchanges shall have been exhausted, the Bank as expeditiously as practicable shall cause additional Bonds to be prepared, at the expense of the Authority; and the Authority covenants that upon request of the Bank, its appropriate officers promptly will execute said additional Registered Bonds on behalf of the Authority.

SECTION 5. **Registration of Registered Bonds.**

(5.1) (**Registrar and Registration Record**) The Registrar for all Bonds registered under the provisions of this Indenture shall be the Bank, which shall maintain a Registration Record for the purpose of registering the name and address of the Registered Holder of each Bond registered as aforesaid. The Registration Record shall be kept open for registrations during all reasonable business hours. In the event of a change of Registrar, notice thereof shall be mailed, postage prepaid, to the Registered Holder of each Bond registered on said Registration Record. The name and address of the Registered Holder as the same appear upon the Registration Record shall be conclusive upon all persons and for all purposes whatsoever.

(5.2) (**Transfer of Bonds**) Bonds shall be transferable only if transferred by the registered owner named in the latest registration on the registration records, in person or by attorney, and upon presentation of said Bond at the principal office of the Bank for endorsement of the new registration thereon. No transfer of a Bond shall be cognizable for any purpose unless made prior to the close of business on the fifteenth (15th) day of the month next preceding any

interest payment date and after close of business on that interest payment date. All fees of the Bank in relation to registration shall be borne by the Authority.

(5.3) (Effect of Registration) No person other than the registered owner shown upon the Registration Record shall be entitled to any right or benefit under this Indenture in relation to that Bond; PROVIDED, that the foregoing shall not apply to any successor by operation of law of said registered owner.

SECTION 6. **Authentication.**

No Bond shall be valid or obligatory for any purpose or be entitled to any benefit under this Indenture unless and until a certificate of authentication substantially in the form hereinbefore set forth shall have been executed by a duly authorized representative of the Bank, and such executed certificate upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. It shall not be necessary to have the same authorized representative of the Bank sign the certificate of authentication on all of the Bonds issued under Authority of this Indenture.

SECTION 7. **Book Entry System.**

(a) The Bonds shall be initially registered in the name of Cede & Co., as nominee of The Depository Trust , New York, New York ("DTC"), and so long as the Bonds are held by the Depository as defined below, the following provisions of this Section shall apply, notwithstanding any contrary provision hereof.

(b) "Depository" shall mean DTC or any other securities depository appointed as a substitute therefor or successor thereto pursuant to this Section, and shall be deemed to include any nominee of the securities depository acting hereunder at any time.

(c) The Depository shall cause the Book Entry System to reflect the ownership of the Bonds and any transfers thereof.

(d) During the period of time that the Book Entry System is maintained by the Depository (the "Depository Period"), the Bondholders shall be deemed to own Bonds as though written Bonds had been issued to them pursuant to the foregoing provisions of this Article, although such Bonds shall be in book entry form only and no Bondholder shall be entitled to receive a written Bond or Bonds.

(e) Notwithstanding any other provision of this Indenture to the contrary, as long as any Bond is registered in the name of Cede & Co. as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond, shall be made and given, respectively, to DTC. All notices and payment advices sent to DTC by the Bank as trustee (the "Trustee"), Paying Agent or Registrar, shall contain the CUSIP number of the series of Bonds to which it refers. In the event of any solicitation of consents from and voting by holders of the Bonds, the Trustee shall give notice to DTC of the Record Date applicable to such solicitation at the time of such notice.

(f) The Depository shall make payments to the Bondholders in the same manner as such payments would have been made to the Bondholders by the Trustee in the absence of this Section (with such differences in the timing of any such payment as may result from the failure of the Depository to collect moneys from the Paying Agent in sufficient time to make such payment on the dates that such payment would have been made by the Trustee). The Depository shall give notices and other communications to, and solicit consents, directions and other communications from, the Bondholders in the same manner as the Trustee is to give or solicit the same under this Indenture; PROVIDED that the Depository may give or solicit the same in accordance with its customary practices to the extent that such practices differ from the methods provided in this Indenture.

(g) All payments of principal of, and premium (if any), and interest on the Bonds shall be paid to the Depository by the Trustee by wire transfer to such account as may be directed by the Depository or, in the absence of such a direction, by mailing a check therefor to the Depository at the address of the Depository shown on the registration books of the Authority maintained by the Trustee. If, as provided in subsection (h), the Depository holds written Bonds, the Depository shall annotate such Bonds to reflect any payment of principal so made, unless the Depository elects to surrender any such Bonds to the Trustee and to receive a new Bond for the unredeemed portion thereof. Upon the payment of any

such Bond in full, the Depository shall surrender such Bond to the Trustee for cancellation.

(h) Written Bonds in the form of Sections 1.1 and 1.2 hereof may be issued in the name of the Depository to evidence the obligation of the Trustee to make payment of the principal of, and premium (if any), and interest on the Bonds to the Depository. Such forms may be appropriately revised to reflect the fact that such Bonds are held by the Depository for the benefit of the Bondholders.

(i) The Depository may resign at any time by giving notice to the Trustee and the Authority. If the Depository shall so resign, the Depository shall promptly give notice thereof to the Bondholders, and a substitute or successor Depository may be appointed by an instrument or substantially concurrent instruments delivered to the Trustee and signed by the holders of a majority in aggregate principal amount of Bonds then outstanding. If a substitute or successor Depository shall not be so appointed within ninety (90) days after the Depository shall have so resigned and returned all of its Bonds to the Trustee, written certificated Bonds shall be issued to the Bondholders. In such case, the Depository Period shall end on the date such written Bonds are issued, and the Book Entry System shall not thereafter be reinstituted.

(j) The Depository and the Trustee shall each furnish the other with such information and copies of such documents, communications and records as the other may reasonably request in connection with the performance of its duties. The Depository shall, upon the request of the Trustee made at any time, furnish the Trustee with a list of the names and addresses of the Bondholders at such time and of the principal amount of Bonds then held by each Bondholder.

(k) The Book Entry System shall be maintained in such manner as to satisfy the requirements of Section 149(a) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

(l) Upon the resignation of the Depository, the Depository shall deliver to its successor all funds then held by it in such capacity and a current list of the names and addresses of the Bondholders and of the principal amount of Bonds then held by each Bondholder. If the predecessor Depository then holds

written Bonds pursuant to subsection (h), it shall assign and deliver such Bonds to the successor Depository.

(m) The Trustee shall have no duty to ensure that any payment on the Bonds is properly made to the Bondholders by the Depository, and the Trustee shall be relieved of all obligations with respect to such payment once it shall have furnished moneys therefor to the Depository. The Trustee shall have no duty to determine that any notice or other communication given by it to the Depository is given by the Depository to the Bondholders.

SECTION 8. **Conditions of Issuance.**

Notwithstanding any other provision of this Indenture appearing to be to the contrary, no Bond authorized by this Article shall be authenticated or registered by the Registrar, or be delivered to any person, until the conditions set forth in Article VII hereof have been met to the satisfaction of the Registrar.

(End of Article I)

ARTICLE II

NATURE, PURPOSES AND POWERS OF THE AUTHORITY; NATURE OF THE TRUST ESTATE; AND PURPOSES OF THIS BOND ISSUE

SECTION 1. Nature, Purposes and Powers of the Authority.

(1.1) **(Nature of the Authority)** The Authority is a public trust created and presently existing under the terms of a Trust Indenture dated January 26, 1966, which has been recorded in the office of the County Clerk of Oklahoma County, State of Oklahoma, as an agency of the State of Oklahoma and a regularly constituted authority of the City of Spencer, Oklahoma (the "City"), for the performance of, and for the furtherance of authorized or proper functions of the City all in accordance with laws of the State of Oklahoma, particularly, but not exclusively, Sections 176 to 180.3, inclusive, of Title 60, Oklahoma Statutes 2019 Supplement, and the Oklahoma Trust Act.

(1.2) **(Purposes and Powers of the Authority)** The aforesaid Trust Indenture empowers the Authority to acquire, construct, equip, maintain and operate water, sewer and garbage systems for the said City of Spencer, to procure any funds necessary therefor by mortgage, pledge or other encumbrance of the Trust Estate or its revenues, and to issue Bonds of the Authority to evidence any indebtedness so incurred. For a more detailed description of the powers of the Authority, reference hereby is made to the aforementioned Trust Indenture as it is officially recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

(1.3) **(Nature of the Trust Estate)** To enable the Authority to perform the public functions of the beneficiary thereof, the City has leased to the Authority, for a primary term extending to November 30, 2043, and as long thereafter as the indebtedness of the Authority secured by the leased property or its revenues remain unpaid, pursuant to the terms of a Lease Agreement and Operation and Maintenance Contract, dated December 1, 1993, as amended (the "Lease"), all of the municipality's then existing water production, storage, transportation and distribution system and facilities, sanitary sewage collection, transportation, processing and disposal system and facilities and garbage and trash collection, transportation, processing and disposal facilities and properties acquired by the

Authority (the "Systems") and rights appertaining or related to the Systems and properties or the use thereof, together with any and all additions and/or improvements to the Systems and properties and rights appertaining or related thereto or to the use thereof which may come under the ownership, custody, management or control of the City during the term of such lease or any renewal thereof.

SECTION 2. **Purposes of This Bond Issue.**

The proceeds of the Bonds issued under authority of this Indenture shall be used to retire existing indebtedness and obligations of the Authority and the City, to provide funds for capital improvements for the Authority and the City of Spencer, Oklahoma, to provide capitalized interest, and to pay the costs and expenses of issuance of the Bonds.

(End of Article II)

ARTICLE III

BANK ACCOUNTS, DEPOSITS AND WITHDRAWALS

SECTION 1. Gross Revenue Account.

(1.1) **(Maintenance and Deposits)** The Authority shall establish and maintain in a bank or banks selected by the Authority, an account designated the "Spencer Utilities Authority Gross Revenue Account" (the "Gross Revenue Account") into which shall be deposited daily all money received by or for the Authority by reason of its ownership and/or operation of the Systems (including any and all sales tax proceeds appropriated and paid to the Authority by the City). Except as herein otherwise specifically provided, the Authority shall have sole authority to withdraw money from the Gross Revenue Account.

(1.2) **(Payments from Account)** The Gross Revenue Account shall be chargeable with the following payments, in the following order of priority:

First: Payment of the costs and expenses of and incidental to the operation and ordinary maintenance of the Systems, including, but not limited to: (a) payments due under any contract for the operation and/or maintenance of any of the Systems for the Authority; and (b) the necessary costs and expenses of and incidental to collecting the revenues to be deposited in the Gross Revenue Account; and (c) fees and expenses due the Bank for its services as Trustee under this Indenture;

Second: Payments into the Bond Account of the Authority created by Section 2 of this Article, as therein required; and

Third: Use of any remainder by the Authority for any proper purpose or purposes of the Authority, including, but not limited to purchase of any Bond secured hereby on the open market, redemption, prior to maturity, of any Bonds issued under this Indenture or any supplement thereto, and payments to or for the City as the beneficiary of the Authority under the Trust Indenture creating the Authority, or any fund or funds of the City.

SECTION 2. **Bond Account.**

(2.1) **(Maintenance and Purpose)** There hereby is created in the Bank, an account designated the "Spencer Utilities Authority Series 2020 Bond Account" (the "Bond Account"), which shall be used solely for the purpose of providing for the payments into the Sinking Fund of the Authority, provided for in Section 2.3 of this Article. However, the Bank shall have sole authority to withdraw money from the Bond Account.

(2.2) **(Deposits in Bond Account)** During each of the annual periods hereinafter specified, the Authority shall make monthly deposits into the Bond Account in aggregate amount (including credits for interest) not less than the amount necessary to punctually pay the principal of and interest on the Bonds authorized by Article I of this Indenture as the same shall become due and payable and to call for redemption prior to maturity Bonds required to be so redeemed as herein provided. Each of such monthly deposits shall be made on or before the 15th day of each month (with the first of such monthly deposits to be made as of August 15, 2020), and shall be equal, as nearly as practicable in the circumstances, to one-twelfth (1/12th) of the aggregate deposits so prescribed for that annual period; PROVIDED that, during any semi-annual period specified in Section 2.3 of this Article, the aggregate of such monthly deposits made into said Bond Account shall not, in any event, be less than the amount required by said Section 2.3 to be transferred from the Bond Account to the Sinking Fund of the Authority, created by Section 3 of this Article, at the close of such semi-annual period; and PROVIDED FURTHER that, if as of the 15th day of any month the aggregate of the amounts theretofore deposited into the Bond Account (from cash payments by the Authority and the aforesaid credits for interest) shall exceed the aggregate of the aforesaid minimum monthly payments for all of the monthly periods then elapsed, the Authority at its option may pay a lesser amount than the minimum herein specified for that monthly payment due on that date, but in no event shall any reduction in any such monthly payment be permitted to an extent which would result in there having been so deposited in the Bond Account an aggregate amount less than the total of the minimum monthly payments herein required for each aforesaid monthly period then elapsed. The amounts required to be so deposited have been calculated as follows:

<u>Annual Period</u> <u>Commencing July 1</u>	<u>Minimum Total Deposit</u> <u>During Annual Period</u>
2020	\$ 380,648.16
2021	\$ 479,380.00
2022	\$ 479,430.00
2023	\$ 479,270.00
2024	\$ 478,910.00
2025	\$ 503,340.00
2026	\$ 506,510.00
2027	\$ 504,270.00
2028	\$ 506,820.00
2029	\$ 503,950.00
2030	\$ 510,880.00
2031	\$ 512,180.00
2032	\$ 513,060.00
2033	\$ 518,530.00
2034	\$6,603,370.00

Duplicate deposit slips, copies of certificates of deposit or other appropriate written evidence showing Bond Account deposits made in compliance with this Section 2.2 shall be furnished to the Bank forthwith upon deposits being made.

(2.3) (Transfers from Bond Account to Sinking Fund) On or before each June 15th and December 15th, beginning December 15, 2020, the Bank shall transfer from the Bond Account to the Sinking Fund of the Authority, created by Section 3.1 of this Article, an amount sufficient to enable payment of the maturing principal of and interest on outstanding Bonds authorized by Article I of this Indenture.

(2.4) (Special Provisions in Event of Default) Notwithstanding any other provision of this Section, in the event of any state of default under this Indenture, the Bank may transfer and require the transfer of all or any part of the Bond Account to the Sinking Fund created by Section 3.1 of this Article or to any other fund provided in this Indenture which the Bank deems proper.

SECTION 3. **Sinking Fund.**

(3.1) **(Creation and Purposes)** There hereby is created in the Bank, a special fund designated the "Spencer Utilities Authority Series 2020 Sinking Fund" (the "Sinking Fund"), for the purposes of: (a) paying, as the same shall become due and payable, the interest on the Bonds issued under this Indenture; and (b) paying, at maturity the principal of the Bonds issued under this Indenture, as provided herein; and (c) paying any money for which the Authority shall become obligated to the Bank under this Indenture. The Authority shall make semi-annual deposits into the Sinking Fund on or before each June 15 and December 15, beginning December 15, 2020, the amount then required to punctually pay the principal of and interest on January 1, 2021, the Bonds authorized by Article I of this Indenture as the same shall become due and payable. The Bank shall hold IN TRUST all money transferred or paid into the Sinking Fund and promptly shall pay from the Sinking Fund money payable therefrom under this Indenture for the purposes specified in this Section 1.

(3.2) **(Transfers from Sinking Fund for Payment of Maturing Interest and Principal and for Redemption of Bonds)**

Prior to each date on which any interest on any of the Bonds issued under this Indenture shall become due and payable, the Bank shall transfer from the Sinking Fund, into a special trust account, an amount sufficient to pay the said interest plus an amount sufficient to pay the principal of any of the Bonds issued under this Indenture maturing on such date, and, at the same time, the Bank also shall transfer from the Sinking Fund, into said special trust account, an amount sufficient to pay the principal of and premium on any and all of the Bonds issued under this Indenture which shall have been called by it for redemption on that interest payment date, and shall hold said money IN TRUST for the making of all said payments. As between the Bank and the Authority, all money so transferred for such purposes shall be deemed to have been paid by the Authority, but such transfer shall not affect any obligation of the Authority to any person or entity.

(3.3) **(Disposition of Redeemed and Purchased Bonds)** All Bonds issued under this Indenture, which shall be redeemed or purchased as provided in this Indenture, shall forthwith be canceled and destroyed by the Bank, and the Bank shall deliver a certificate of such fact to the Authority. No new Bond shall be issued under this Indenture in lieu of any Bond so redeemed or purchased.

SECTION 4. **Investment of, and Security for Sinking Fund,
Bond Account and Construction Fund.**

The Bank shall invest such portions of the Sinking Fund and Bond Account as shall be practicable with maturity thereof prior to the interest payment date next ensuing after date of investment as directed by the Authority. All of said investments shall be in one or more of the Permitted Investments as defined in Article IX of this Indenture. All interest collected by the Bank on such investments in the Sinking Fund shall be deposited as collected, in the Sinking Fund and following each interest payment date, any surplus therein shall be applied to pay the semi-annual fee of the Bank. The fact of such deposits and the amounts thereof during each three months period described in this Article shall be reported by the Bank to the Authority as provided in this Article.

The Construction Fund shall be kept continuously invested by the Bank upon written instructions of the Authority in Permitted Investments (as defined in Article IX of this Indenture). Interest earned is to be retained in the Construction Fund, or upon direction of the Authority, transferred by the Bank to the Sinking Fund of the Authority.

SECTION 5. **Protection of Funds.**

Except as otherwise provided in this Article III with respect to any particular account or fund created or provided by this Article III, no Bank account or fund created or provided by this Indenture in any Bank shall be permitted to exceed in aggregate amount the insurance provided therefor by the Federal Deposit Insurance Corporation, unless the Bank in which the same shall be deposited shall secure such excess amount in the manner provided by law for the security of deposits of uninvested sinking funds of political subdivisions of the State of Oklahoma, or, in the case of deposits in the Bank, in the manner provided by the national banking laws of the United States of America for the security of trust funds and shall effectively waive any rights of set-off in relation thereto.

SECTION 6. **Statements by the Bank.**

On or before the last day of September, 2020, and or before the last day of each third calendar month thereafter, the Bank shall furnish to the

Authority a statement or statements showing: (a) the total amount of interest collected and deposited in the Sinking Fund, as provided in Section 3 of this Article, during the last-preceding three calendar months; and (b) the total investments of each account or fund of the Authority which is subject to investment by the Bank, as of the last day of the last-preceding calendar month; and (c) the respective amounts, if any, transferred during the last-preceding three calendar months from the Sinking Fund to the special trust fund for the payment of principal, and for the payment of interest; and (d) the cash balance in each account or fund as of the last day of the last-preceding calendar month.

SECTION 7. **Combining Other Funds with Sinking Fund to Complete Retirement of Bonds.**

Whenever the aggregate of balances of accounts and funds of the Authority in the hands of the Bank, not otherwise allocated for contracted payments, when added to the balances in the Sinking Fund and Bond Account shall be sufficient to provide for the retirement of all then outstanding Bonds issued under this Indenture and any indenture or indentures supplemental hereto (either by payment at maturity or by redemption prior to maturity, or by purchase on the open market, as provided in this Indenture and any such indenture or indentures supplemental hereto), the Authority may direct the Bank to transfer to the Sinking Fund sufficient of such unallocated funds or accounts to retire all of said Bonds, and the Bank shall make such transfer or transfers and proceed to retire said Bonds in the manner provided therefor.

(End of Article III)

ARTICLE IV

COVENANTS

The Authority hereby covenants unto the Bank and unto each and all of the holders of Bonds issued under this Indenture as follows:

SECTION 1. Title to Properties and Revenues.

The Authority has good right and lawful authority to execute and deliver the conveyance set forth in this Indenture, and all of said property is free and clear of all liens, claims, demands, encumbrances and governmental charges which could or in any manner might adversely affect or prejudice the rights, interests, privileges, powers and liens provided in this Indenture. The Authority, so often as requested so to do by the Bank or any holder of any Bond secured under this Indenture, promptly will execute and deliver all such other and further instruments and do, or cause to be done, all such other and further things, as reasonably shall be required to vest in the Bank all of the rights, powers and benefits intended to be conveyed, assigned and conferred by this Indenture.

The Authority forever will defend the unimpaired and unencumbered right, title, and interest in and to each and every part of the property and revenues mentioned in the Indenture against all claims and demands asserted by any person or entity whatsoever to be prior or preferential to the lien created by the Indenture, and the Authority, upon request by the Bank or by the holder of any Bond, promptly will take such action as reasonably shall be required to extinguish any defect or cloud upon the rights, title, and interests described as aforesaid whether presently existing or hereafter coming into existence; and the Authority will save harmless the Bank and each holder of any Bond from all loss, cost, expense, and damage with respect to any of the foregoing.

SECTION 2. Examination of Records; Furnishing Reports, Audits and Statements.

(2.1) (Books and Access Thereto) The Authority at all times will keep its books, and records and accounts in compliance with good accounting practices

and applicable rules and regulations of any governmental authority having jurisdiction thereof; and, it shall permit access, at all reasonable times, to its properties, books, records and accounts by the Bank, or any holder of any Bond issued under this Indenture for the purpose of inspection or examination thereof.

(2.2) (Annual Audits) Within one hundred eighty (180) days of the close of the Authority's current fiscal year (which is June 30, 2020), and in one hundred eighty (180) days of the close of the Authority's fiscal year each year thereafter so long as any Bond or Bonds issued under this Indenture shall remain outstanding, the Authority shall deliver to the Trustee, the Beneficiary, The Baker Group LP, Oklahoma City, Oklahoma, and to each holder of any Bond or Bonds issued under this Indenture who requests the same in time, the annual audit of the operation of the Systems during the preceding fiscal year of the Authority, certified by a Certified Public Accountant or Public Accountants employed by the Authority (and named by the Bank or by the holders of fifty-one percentum (51%) of all then outstanding Bonds issued under this Indenture, if so requested by the Bank or by the holders of such percentage of said Bonds in writing).

SECTION 3. **Special Covenant as to Federal Legislation.**

The Authority covenants to comply with the Internal Revenue Code of 1986, as amended, and the Authority and the Bank as Trustee hereunder shall be empowered to take any and all actions necessary to comply with all of the provisions of the Internal Revenue Code of 1986, as amended, relating to the exemption from federal income taxes of the interest paid upon the Series 2020A Tax-Exempt Bonds authorized by Article I of this Indenture (including, but not limited to the applicable provisions of the Tax Reform Act of 1986), to the end that said interest shall remain so exempt.

SECTION 4. **Required Rebate to the United States.**

The Authority covenants to timely prepare and file, or cause to be prepared and filed, any and all reports or returns of whatsoever kind or nature required under the Internal Revenue Code of 1986, as amended, in order to preserve the federal tax-exempt status of the interest payable by the Authority on the Series 2020A Tax-Exempt Bonds authorized by Article I of this Indenture. The Authority further covenants to timely meet the rebate requirements of the Internal

Revenue Code of 1986, as amended, including, but not limited to payment of any required rebates to the United States, relating to income derived from investment of the proceeds of the said Series 2020A Tax-Exempt Bonds.

SECTION 5. **Required Deposit of Funds.**

Without limiting the terms of any other covenant herein, the Authority specifically covenants faithfully to cause to be made available to the Bank from any lawful source, sufficient money to enable the punctual payment of the principal of and interest on all indebtedness issued under this Indenture as the same shall become due and reasonable fees and expenses of the Bank for its services hereunder.

SECTION 6. **Maintenance of Leasehold.**

The Authority specifically covenants that it will maintain its leasehold interest and estate in and to all of the properties mentioned in Section 1.3 of Article II of this Indenture and will not suffer or permit the termination or release of the Lease demising the same mentioned in said Section 1.3 in whole or in part.

SECTION 7. **Maintenance of Properties and Insurance.**

The Authority will maintain or cause to be maintained all and every of the Systems in first-class, usable condition and good repair at all times; it will not commit or suffer any waste in respect thereof; and it will not remove or in any manner dispose of any personalty thereof without written consent of the Bank, except as hereinafter provided in this Indenture.

The Authority at all times will cause the Systems to be covered by all forms of insurance, including, but not limited to property damage and liability for damage to persons or the property of others, and in such amounts, as ordinarily is maintained by reasonably prudent operators of like operations; and the policies of such insurance shall provide for payment of losses covered thereby to the Authority and/or the City of Spencer, Oklahoma, and/or the Bank as Trustee for the holders of Bonds issued under this Indenture, as their interests shall appear. All

such policies of insurance, or certificates thereof, shall be delivered to the Bank promptly upon issuance thereof.

SECTION 8. **Operation of Properties.**

(a) The Authority will operate the Systems or cause them to be operated for it so long as any indebtedness incurred under authority of this Indenture shall remain unpaid and payment thereof be not otherwise provided.

(b) The Authority at all times will maintain its right to carry on the operations hereinbefore described, and will do and perform all acts and things necessary that such right, and all rights appertaining thereto hereafter acquired by it shall not be diminished or impaired.

(c) The Authority will faithfully and fully comply with every valid statute, ordinance, rule or regulation, now in force or hereafter becoming effective, enacted or promulgated by any governmental authority having jurisdiction of the operation or maintenance of the Systems or of the operation of services of the Authority, applicable thereto and will provide no free services except to the Beneficiary for strictly governmental purposes.

SECTION 9. **Warranty of Declarations.**

The Authority warrants the substantive correctness of all statements of fact contained in this Indenture.

SECTION 10. **Expenditure of Bond Proceeds.**

The Authority will expend all proceeds of the Bonds paid to it, pursuant to indebtedness incurred under this Indenture, solely for the purposes set forth in Article II of this Indenture.

SECTION 11. **Maintenance of Revenues.**

(a) The Authority at all times will maintain schedules of rates and charges for services rendered through the Systems which will provide annually a sum equal to not less than one and one-fourth (1.25) times the average annual amount required to be paid in cash for the fiscal year of the Authority into the Sinking Fund for the Bonds and any indebtedness secured equally with the Bonds in cash, as provided in this Indenture, after paying or providing for the payment of and all costs and expenses of operation and maintenance of the Systems. For purposes of this Section, the average annual amount required to be paid in cash into the Sinking Fund for the Bonds shall be calculated by adding the total charges for payment of principal of and interest on the then-outstanding Bonds divided by the number of years remaining until the final maturity of the Bonds.

(b) In order to enable the Authority to maintain lower schedules of rates and charges for utility services, for the purpose of calculating the annual amounts of revenue produced from services rendered through the Systems, there shall be deducted from the costs and expenses of operation and maintenance thereof any amount expended by the City (and not reimbursed by the Authority) for payment of the costs of such operation and maintenance or appropriated and paid by the City to the Authority for such purposes, and there shall be treated as income from said properties any amount, including, but not limited to, sales tax proceeds, appropriated by the City to the Authority and actually paid to the Authority; PROVIDED, the foregoing shall apply solely and only to amounts so expended or appropriated and paid, in cash, and to that end, in no event shall any such expenditure or appropriation be anticipated for the purpose of this Indenture for any reason, including, but not limited to the application of accrual principles in accounting.

SECTION 12. **Security for Bonds.**

To secure the payment of the principal of and interest on all Bonds issued under the authority of this Indenture, according to their tenor and effect, and further to secure the performance of the covenants of this Indenture, and further to secure all other sums, liabilities, indebtedness and obligations at any time due or obligatory under the provisions of this Indenture, and further to secure the Bank for payment to it of any sums which it may pay or become obligated to pay, or which it shall be due to it, by reason of any provision of this Indenture, whether

by operation of law or by agreement, including interest, attorney's fees, costs and expenses of litigation or otherwise, and in consideration of the acceptance by the Bank of the trusts and duties set forth in this Indenture, and of the acceptance of the Bonds issued under the authority of this Indenture and the payment of the purchase price thereof to the Bank for the use and benefit of the Authority, does hereby pledge and grant a security interest in the Net Revenues (as hereinafter defined) of the Authority derived from its operation of the Systems in favor of the Bank; PROVIDED, that the Authority shall not suffer any lien or encumbrance upon the Trust Estate, or any part thereof, other than the lien imposed by this Indenture, except as herein otherwise specifically provided; or do or suffer any act or thing whereby the security hereof may be diminished or impaired; shall maintain the Lease unencumbered and in full force and effect; shall timely exercise all options to renew the same; and shall not amend or consent to the amendment of the Lease which would operate to diminish the interest and estate of the Authority in and to the Trust Estate.

SECTION 13. **Limitations on Creation of Liens.**

The Authority agrees that it will not create or suffer to be created or exist any lien or encumbrance upon the Systems or the revenues derived from the operation of the Systems; PROVIDED, the Authority may create or suffer to be created or exist:

(i) Liens or encumbrances arising by reason of good faith deposits with the Authority in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Authority to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds and deposits as security for the payment of taxes or assessments or other similar charges;

(ii) Any lien or encumbrance arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Authority to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other social security, or to share in the privileges or benefits required for participating in such arrangements;

(iii) Any judgement lien or notice of pending action against the Authority so long as such judgement or pending action is being contested and execution thereon is stayed or while the period for responsive pleadings has not lapsed;

(iv) (A) Any liens on the Systems for taxes, assessment, levies, fees, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with the Systems, which are not due and payable or which are not delinquent or the amount or validity of which, are being contested and executed thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due for less than sixty (60) days; (B) easements, rights-of-way, servitude, restrictions and other minor defects, encumbrances, and irregularities in the title to the Systems which do not materially impair the use of the Systems or materially and adversely affect the value thereof;

(v) Liens on the Systems received by the Authority through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests of the Systems or the income thereon;

(vi) Any lien representing rights of set-off and banker's liens with respect to funds on deposit in a financial institution in the ordinary course of business; and

(vii) Any lien or security interest created in the Systems to secure indebtedness in addition to the indebtedness evidenced by the Bonds in accordance with the provisions of Section 4 of Article VII of this Indenture.

SECTION 14. Restrictions on Encumbering Revenues.

The Authority covenants that it will maintain ownership of the Systems intact substantially as presently constituted and will not cause or permit any of its revenues, receipts or other moneys, or right to receive any of the same, including, without limitation, accounts, accounts receivable, contract rights and general intangibles, and all proceeds of all of the foregoing, whether cash or non-cash, to become encumbered except (i) with respect to those liens and encumbrances specifically permitted under Section 13 of this Article IV hereof, or (ii) as otherwise permitted hereby with respect to insurance or condemnation proceeds or awards.

(End of Article IV)

ARTICLE V

DEFAULTS AND ENFORCEMENT OF SECURITY

SECTION 1. Defaults.

(1.1) (Constituents of Default) The happening of any one or more of the following events or failures, or the existence of any one or more of the following facts or states of inherence incompatible with any of the provisions of this Indenture (whether the same shall have been existent prior to or at the time of the execution of this Indenture or thereafter transpiring), shall be deemed forthwith to institute a state of default, caused by the Authority, of the obligations undertaken by the Authority under this Indenture:

(a) The failure, by the Authority to do or perform, or cause to be done or performed, any thing or act specified in any of the covenants set forth in Article IV of this Indenture;

(b) The doing, performing or committing, or the causing to be done, performed or committed, by the Authority, of any thing or act incompatible with any of the covenants set forth in Article IV of this Indenture;

(c) The suffering, by the Authority, of any act or thing incompatible with any of the covenants set forth in Article IV of this Indenture;

(d) The existence of any state or situation or circumstance incompatible with any of the covenants set forth in Article IV of this Indenture.

(1.2) (Effect of Default) Each and every of the foregoing enumerated elemental constituents of default shall be deemed a breach of covenant, and not a condition precedent or subsequent.

(1.3) (Term of Default) Each state of default shall be deemed to continue until all of the elemental constituents thereof shall have been completely eliminated or cured.

SECTION 2. **Accrual of Right to Enforce Remedies.**

Should any event of default as set forth in Section 1 of this Article occur and the elemental constituents thereof not be eliminated or cured after notice in writing so to do shall have been given by the Bank to the Authority (except that states of default consisting of failure to pay or deposit money shall not require notice), the rights, powers and remedies hereinafter provided in this Article shall be available for enforcement of the security for the obligations of the Authority under this Indenture.

SECTION 3. **Remedies Available.**

(3.1) (Concurrence of Remedies) No remedy herein set forth is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and in addition to each and every other remedy provided herein or now or hereafter existing at law or in equity or by statute. Among such remedies shall be those hereinafter enumerated.

(3.2) (Acceleration of Maturity)

(a) Should any state of default occur, the Bank shall be entitled, at the option of the Bank and without notice or demand (other than the notice provided in Section 3 of this Article), to declare the entire of the unpaid principal of the Bonds and any other indebtedness, obligations and sums secured by this Indenture, including interest and attorney's fees, to be due and payable immediately, and, thereupon, the same shall be due and payable immediately, and all such amounts shall bear interest at the highest rate of interest provided in any such unpaid Bond; and the Authority expressly waives any notice or demand with respect to the aforesaid declaration by the Bank.

(b) In the event the Bank shall elect not to make the declaration provided in paragraph (a) of this Section 3.2, nevertheless, upon written demand to the Bank by the holders of not less than twenty percentum (20%) in amount of all outstanding Bonds issued under this Indenture, the Bank shall be required to make such declaration.

(3.3) (Control of Operations Through Temporary Trustees)

(a) Should any event of default occur and be continuing, the Bank may, upon its own initiative and without request, and upon written demand by the holders of not less than twenty percentum (20%) in amount of all outstanding Bonds issued under this Indenture, the Bank shall appoint persons, resident of Oklahoma County, Oklahoma, as temporary trustees of the Authority for the properties mentioned in Article II of this Indenture, in such number that the persons so appointed shall constitute a majority of the Trustees of the Authority with respect to the Systems and the operations of the Authority in relation thereto; and the Bank shall fill any vacancy in any such temporary trusteeship.

(b) Every such appointment of such temporary trustees shall be in writing and shall specify: FIRST, the elemental constituents of the default or defaults existing whereby such power of appointment is invoked hereunder, and SECOND, the names of the persons appointed as such temporary trustees, together with the name of each regular Trustee of the Authority temporarily supplanted by each such temporary trustee for said purpose.

(c) The persons so appointed as such temporary trustees shall be approved by the District Court of the County mentioned in paragraph (a) of this Section 3.3 or by a Judge of such Court. Upon such approval, each such temporary trustee shall qualify as provided in the Trust Indenture, creating the Authority, and, thereupon, the regular Trustee of the Authority to be supplanted by such temporary trustee as aforesaid, ipso facto, shall cease to have any power or authority under said Trust Indenture, with respect to the properties mentioned in Article IV of this Indenture, and shall continue to be without such power or authority until reinstated as provided in paragraph (f) of this Section 3.3.

(d) Any temporary trustee or trustees so appointed by the Bank may be supplanted by a person or persons appointed in writing by the holders

of not less than twenty percentum (20%) in amount of all outstanding Bonds issued under this Indenture. Each such person so appointed by the Bondholders shall be a resident of the State of Oklahoma and of the County mentioned in paragraph (a) of this Section 3.3 and shall be approved by the District Court of said County, or by a Judge of such Court, and shall qualify as provided in the Trust Indenture, creating the Authority, and, thereupon, each such appointee of the Bondholders, ipso facto, shall supplant the temporary trustee appointed by the Bank specified in such appointment.

(e) The written appointment of temporary trustees by the Bank under the provisions of this subsection shall be sent by the Bank by registered or certified mail to the official clerk of the municipal beneficiary of the Authority and a duplicate original thereof shall be filed for record in the office of the County Clerk of the County mentioned in paragraph (a) of this Section 3.3. The written appointment of a temporary trustee or trustees by Bondholders under the provisions of this subsection shall be sent by such Bondholders by registered or certified mail to the Bank and to the official clerk of the municipal beneficiary of the Authority, and a duplicate original thereof shall be filed for record in the office of the County Clerk of the County mentioned in paragraph (a) of this Section 3.3.

(f) Upon the elimination or curing of all of the elemental constituents of all events of default (whether or not they shall be the ones whereby the power conferred by this Section 3.3 shall have been invoked), the regular Trustee or Trustees of the Authority not supplanted by a temporary trustee, may mail written notice to the Bank and to the official clerk of the municipal beneficiary of the Authority by registered or certified mail, of the fact that no state of default exists, and cause a duplicate original of such notice to be filed for record in the office of the County Clerk of the County mentioned in paragraph (a) of this Section 3.3; and, thereupon, if said notice state truly, ipso facto, any and all temporary trustees appointed under the provisions of this Section shall cease to have any power or authority under the Trust Indenture, of the Authority and each regular Trustee of the Authority theretofore supplanted by a temporary trustee appointed under the provisions of this Section shall be reinstated in every particular under the provisions of said Trust Indenture.

(g) During the continuation of any event of default, the Authority, as constituted under the provisions of paragraphs (a) to (e), inclusive, of this Section 3.3, may, at the election of the Bank, remain in possession of all or any part of the properties mentioned in Article IV of this Indenture and may conduct all

or any part of the operations of the Authority in relation thereto, with full right of management; and, in such event, all revenues of the Authority from said properties shall be applied, deposited and expended as provided in this Indenture for the application and expenditure of such revenues of the Authority; PROVIDED, however, that such election by the Bank shall not be deemed to eliminate or cure or waive any event of default whatsoever, but shall be deemed the election of one remedy for enforcement of the security for the obligations of the Authority under this Indenture, and not otherwise.

(3.4) (Proceedings By or Against the Authority) In case of any state of default involving either the prosecution of, or the defense, or the participation in, any judicial or administrative proceedings by or against the Authority, or where any such action becomes expedient during any state of default, the Bank, at its sole discretion, may conduct such prosecution, defense or participation, and it may take any action or do anything whatsoever in relation thereto or in relation to the subject matter thereof, which the Authority might take or do.

(3.5) (Other Concurrent Remedies)

(a) Should any state of default occur, the Bank may, and upon written request of the holders of not less than twenty percentum (20%) in amount of all outstanding Bonds issued under this Indenture, upon being indemnified as provided in paragraph (f) of Section 1 of Article VIII of this Indenture, the Bank shall proceed to protect and enforce its rights and the rights of the holders of Bonds issued under this Indenture and under said Bonds, by a suit or suits, whether for specific performance of any covenant or agreement herein contained or in execution or aid of any power granted herein or for the enforcement of any other proper, legal or equitable remedy as the Bank, being advised by its counsel, shall deem most effectual.

(b) The Bank shall be entitled, upon or at any time after commencement of any proceedings instituted in case of default, as a matter of right, upon the order of any court of competent jurisdiction, to the appointment of a receiver for the properties mentioned in Article II of this Indenture, and for any Systems and properties described in any indenture supplemental hereto, or for any part of either or both, and for the rents, issues and profits thereof, with power to operate such properties. Any such receiver, except as herein otherwise provided, shall have all of the usual powers and duties of receivers in similar cases, with full

power, upon order of the court, to rent such properties, or any part or parts thereof, for any term provided by the court; and such receiver shall apply the money received through rents and through operation of the properties to the payment of reasonable compensation for the services of such receiver and his or its attorneys, to the payment of the expenses and charges of operating and maintaining such properties, including (but not limited to) insurance, repairs and supplies, and to pay the balance, if any, to the Bank to be applied and paid by it in the manner set forth in Section 4 of this Article V.

(3.6) (Expenses in Case of Default)

(a) Should any state of default occur, the Bank shall have the right to incur any reasonable expense for any purpose relating thereto, or for the enforcement or exercise of any remedy, right or power provided in this Indenture, or provided by law, equity or statute, or for eliminating or curing any or all elemental constituents of a state of default, and the Bank also shall be entitled to reasonable compensation for its extraordinary services in the premises and also for its attorneys.

(b) The Authority shall immediately pay to the Bank, upon its demand therefor, all of the costs, expenses, outlays, expenditures and compensations provided in the preceding paragraph. The Bank may have and receive reimbursement for any sums so paid out by it, and payment for compensation of itself and its attorneys, together with interest thereon, prior to payment of principal on account of principal of or interest on the Bonds, out of any property or money received by it under the provisions of this Indenture.

(3.7) (Protection of Remedies) No delay or omission to exercise any right, remedy or power hereunder shall be construed as a waiver of any state of default, or as acquiescence therein; and every such right, remedy or power may be exercised or invoked from time to time and as often as may be deemed expedient, without the election of one precluding any other. No waiver of any state of default shall constitute a waiver of any other or any subsequent state of default whatsoever.

SECTION 4. **Application of Funds on Default.**

Should any state of default occur after payment of the expenses of operation and maintenance of the properties mentioned in Article IV of this Indenture, all amounts collected and received by the Bank in any manner hereunder (other than payments made under temporary trustee control and continuing operation by the Authority as provided in Section 3.3 of this Article V and even such payments, at the option of the Bank, may be applied in accordance with this Section), shall be applied and paid out by the Bank, from time to time, in the following order:

- (1) All charges, costs and expenses of enforcing the provisions of this Indenture;
- (2) All interest on Bonds accrued and unpaid at the time of default, payable ratably;
- (3) The then-remaining unpaid balance of all accrued indebtedness on the principal of outstanding Bonds, together with thereafter accruing interest at the rate specified in this Indenture, payable ratably;
- (4) All other accrued indebtedness, liabilities, obligations and sums secured by this Indenture, together with interest thereon, payable ratably; and
- (5) The balance, if any, to be paid to the Authority or to whomsoever may be lawfully entitled to receive the same, as decreed by a court of competent jurisdiction.

SECTION 5. **Resumption of Operations by the Authority.**

If the remedy of acceleration, as provided in Section 3.2 of this Article, shall not have been invoked or, having been invoked shall have been rescinded, and (a) if all elemental constituents of all states of default (whether or not they shall be the ones whereby any remedy available in event of default shall have been invoked) shall have been eliminated or cured, and (b) if there shall remain in the hands of the Bank sufficient money to credit to the Sinking Fund created by this

Indenture the amounts then required to be in said Sinking Fund, the Authority shall be entitled to resume full possession, control and management of all of the properties mentioned in Article IV of this Indenture, and all outstanding Bonds shall be payable thereafter in the same manner as though no state of default had occurred, subject, however, to the provisions of Section 3.7 of this Article.

(End of Article V)

ARTICLE VI

PROCEEDS OF THESE BONDS

Proceeds of Bonds Issued Under This Indenture.

All of the proceeds of the sale of the Bonds issued under this Indenture shall be disbursed by the Bank as follows:

First: The costs and expenses necessarily incidental to the issuance and sale of said Bonds shall be paid to the persons entitled thereto, including, but not limited to attorney's fees and expenses, printing expenses and Bank fees and expenses, in the respective amounts, as certified to the Bank by the Authority;

Second: The sum of \$5,401,452.36 derived from the Series 2020B Taxable Bonds shall be deposited with the Bank and combined with funds held by the Bank as Trustee with respect to the Authority's Series 2015 Utility System and Capital Improvement Revenue Bonds;

Third: The sum of \$139,718.16 representing capitalized interest shall be deposited in the Bond Account created pursuant to this Indenture; and

Fourth: The balance of such proceeds shall be held by the Bank in special accounts to be designated the "Series 2020A Construction Fund" and the "Series 2020B Construction Fund" (collectively, the "Construction Fund") of the Authority, and shall be disbursed by the Bank upon requisitions by the Authority, in payment of the costs and expenses of, and incidental to the Project.

(End of Article VI)

ARTICLE VII

ISSUANCE AND DEFEASANCE OF BONDS

SECTION 1. Conditions for Issuance.

Notwithstanding any other provision of this Indenture to the contrary, no Bond authorized by this Indenture shall be authenticated, issued or delivered by the Bank until the following conditions shall have been met to the satisfaction of the Bank:

(1.1) (Certificate of Trustees) There shall have been delivered to the Bank a Certificate, signed by the Chairman of Trustees of the Authority and attested by the Secretary of Trustees thereof, certifying to the following:

(a) The amount of Bonds authorized to be issued and delivered, to whom delivery is to be made, and the amount of money to be paid to the Bank as the purchase price thereof;

(b) The non-existence of litigation or controversy, pending or threatened, affecting the existence of the Authority or the powers of its Trustees, or affecting the validity or enforceability of the said Bonds or of this Indenture or of any proceedings whatsoever related to the issuance of said Bonds;

(c) The authorization of the Chairman of Trustees of the Authority to execute said Certificate for the Trustees thereof, appending thereto certified evidence of said authorization.

(1.2) (Market Legal Opinion) There shall have been delivered to the Bank, the opinion of Johanning & Byrom, PLLC, Attorneys at Law, Oklahoma City, Oklahoma: (1) that the Bonds, delivery of which is directed by the Certificate described in Section 1.1 of this Article are validly authorized and, when properly issued as provided in this Indenture; and (2) that this Indenture in its entirety is a valid, binding and enforceable contract of the Authority; and (3) that the rights and

privileges of the Bank and of the holders of Bonds issued pursuant to this Indenture are validly existing and enforceable as set forth therein.

(1.3) (Receipt of Purchase Price) The Bank shall have received the entire of the purchase price of said Bonds as specified in the Trustees' Certificate prescribed by Section 1.1 of this Article.

SECTION 2. Loss, Mutilation, Etc., of Bonds.

If any Bond issued hereunder shall be mutilated, lost or destroyed prior to payment of the amount thereby provided to be paid, the Authority, upon terms and conditions satisfactory to and with the approval thereof by the Bank shall execute a new Bond of like tenor, amount and date, and bearing the same serial number, but with an appropriate letter thereafter or other appropriate indication of substitution, and the Bank shall authenticate and deliver said new Bond in substitution for the aforesaid Bond upon indemnity satisfactory to it.

SECTION 3. Defeasance.

The condition of the hereinbefore habendum is such that, if the Authority well and truly shall pay and perform, or cause to be paid and performed, fully and promptly when due, all indebtedness, liabilities and obligations at any time provided in this Indenture and in all evidences of indebtedness issued under authority hereof to be paid and performed, then, in such event and at such time and not earlier, this Indenture shall become null and void, but otherwise shall remain in full force and effect. The Authority may pay and discharge the entire indebtedness on any series of Bonds outstanding under this Indenture in any one or more of the following ways, to wit:

A. By payment at maturity, payment pursuant to redemption prior to maturity, or by purchase of Bonds upon the open market as provided in this Indenture, or

B. By depositing with the Bank, its successors or a bank with corporate trust powers, the deposits of which are insured by the Federal

Deposit Insurance Corporation, in trust either monies in an amount which shall be sufficient, or direct obligations of or obligations guaranteed by the United States of America the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Bank at the same time, shall be sufficient to pay when due the principal and interest due and to become due on the Bonds on the maturity date thereof, or, in the alternative, on such earlier date said Bonds shall be callable for redemption prior to maturity.

SECTION 4. **Provisions for Additional Indebtedness.**

(4.1) **(Right to Incur)** Except when a state of default exists under this Indenture or any indenture supplemental hereto, the Authority shall have the right to incur secured indebtedness, in addition to the indebtedness evidenced by the Bonds heretofore authorized by this Indenture, and to secure the same equally with but not superior to the indebtedness evidenced by the Bonds heretofore authorized by this Indenture, by the Net Revenues mentioned in Article IV of this Indenture, but only under the conditions set forth in this Article and not otherwise.

(4.2) **(Purposes Authorized)** Any such additional indebtedness so secured shall be incurred only for acquiring or constructing properties and facilities designed for the production of new or additional revenue or for extending, improving or enlarging, or protecting any of the properties or revenues of the Authority, or of the beneficiary of the Authority, the City of Spencer, Oklahoma, or to effect major repairs and/or replacements of any of said properties, or to fund a program to protect the assets of the Authority or the City or for refunding any outstanding indebtedness of the Authority incurred for any of the foregoing purposes.

(4.3) **(Conditions of Additional Indebtedness)**

(a) No such additional indebtedness so secured shall be incurred for any of the purposes set forth in Section 4.2 of this Article of this Indenture unless the net income of the Authority from the properties mentioned in Section 1.3 of Article II of this Indenture, deposited in the Gross Revenue Account plus money appropriated and paid over by the City to the Authority, in cash, and plus investment income of the Authority from the Bond Account and Sinking Fund and less all expenses of operation and ordinary maintenance thereof and excluding depreciation, other non-cash items and capital improvements for the twelve (12) full

calendar months constituting the last fiscal year of the Authority immediately preceding the incurring of such additional indebtedness, as certified by an independent Certified Public Accountant or Public Accountant, by a certificate also approved by the Authority, shall have been equal to at least one and one-fourth (1.25) times the average annual amount required to be paid in cash (calculated as provided in Section 8 of Article IV of this Indenture), during a twelve (12) month period (or if one full fiscal year shall not have elapsed since the date of the last incurring of indebtedness so secured, then at the aforesaid rate for such part of a fiscal year so elapsed) into the Authority's Sinking Fund under this Indenture and any prior supplement to this Indenture. In making the aforesaid calculations, utility rate increases and sales tax collection increases then in effect may be assumed to have been in effect during the period under consideration.

(b) Any supplemental indenture relating to the incurring of any additional indebtedness so secured shall provide:

(1) That the instruments evidencing such additional indebtedness shall be distinguishable from the Bonds or other instruments previously issued and secured under this Indenture and any prior supplement to this Indenture;

(2) For monthly deposits into the Bond Account created by this Indenture of sufficient amounts to provide for interest and principal maturity requirements for such additional indebtedness, in addition to the monthly deposits into the Bond Account required under this Indenture and any prior supplement to this Indenture; and for transfers thereof from the Bond Account to the Sinking Fund in addition to like transfers required under this Indenture and any prior supplement to this Indenture;

(3) That indebtedness secured by such supplemental indenture shall be expressed to mature, or may be required to be expressed to mature, or may be required to be redeemed prior to the expressed maturity thereof, only at such times and in such amounts as additional deposits required to be made under such supplemental indenture shall enable the same to be done and that amount of money required by this Indenture and by any intervening supplement or supplements hereto to be in the Authority's Sinking Fund at any particular time shall not be reduced for the prepayment (either by redemption prior to maturity or by purchase on the open market) of any indebtedness issued under authority of such supplemental indenture;

(4) That all deposits or payments made under such supplemental indenture into the Bond Account and Sinking Fund, created by this Indenture, shall be commingled therein with all other deposits and payments made into such account or fund under this Indenture and any prior supplement to this Indenture, and that, except as provided in subparagraph 3 of this paragraph (b) any payments made from any said account or fund shall be made without preference as though such additional indebtedness were initially incurred under this Indenture.

SECTION 5. **Modification of Indenture.**

This Indenture may be changed by adding any provisions to or changing in any manner or eliminating any of its provisions by agreement of the Authority and the Bank with the consent in writing of the registered holders of not less than seventy-five percentum (75%) in principal amount of all outstanding indebtedness issued and secured under authority of this Indenture, collectively; PROVIDED:

(a) The aforesaid percentage, seventy-five percentum (75%), shall not be reduced without the consent of the registered holders of all of the principal of said outstanding indebtedness;

(b) Unless the Registered Holder of the instrument evidencing such indebtedness sustaining a greater reduction in interest or longer postponement of maturity shall otherwise consent in writing, (1) any reduction in the annual rate of interest borne by any said instrument may be accomplished only by subtracting the same number from the annual rate of interest borne by all outstanding debt; and (2) in the event that there shall be an extension of maturities serially, the same relative position in the extended schedule shall be retained for each Bond as in the maturity schedule of the Bonds as originally issued. However, if the extension of maturities is made into a single maturity, the extension shall apply to all Bondholders; and

(c) No change shall be made affecting the equal and ratable applicability of this Indenture as heretofore or hereafter supplemented or amended and the security provided thereby to each and all of said debt.

(End of Article VII)

ARTICLE VIII

CONCERNING THE BANK

SECTION 1. Obligations and Duties.

The Bank hereby accepts the trust provided in this Indenture, but only upon, and subject to, the following express terms and conditions:

(a) The Bank may execute any of such trusts or powers and perform any duties hereunder through employees, attorneys, agents or servants, and it shall be entitled to advice of counsel in regard thereto and may rely upon such advice, and may receive or recover any reasonable costs or expenses in connection therewith from any funds in its hands.

(b) The Bank shall not be responsible for any recitals in this Indenture or in the Bonds hereunder issued, or for doing or performing any thing or act which the Authority shall have covenanted to do or perform, or for any other compliance with any covenant by the Authority, nor shall the Bank be bound to ascertain or inquire as to the performance of any covenant, condition or agreement by the Authority, but it may require full information and advice in regard to any of the foregoing.

(c) The Bank shall not be accountable for the use of any Bonds delivered hereunder, or for any of the proceeds of such Bonds after the same shall have been paid out by it; and holders of Bonds shall not be entitled to any interest from the Bank on funds in its hands for payment of the same.

(d) The Bank shall not be accountable for acting upon any notice, requisition, request, consent, certificate, order, affidavit or other information believed by it to be genuine and correct to have been signed or sent by the person or persons proper to have so done.

(e) The Bank shall not be bound to recognize any person or persons as a Bondholder or Bondholders or to take action at his or their request, unless such Bond or Bonds be deposited with the Bank or submitted to it for inspection; and any action taken by the Bank pursuant to this Indenture upon request or Authority or consent of any person who, at the time of making such request, or giving such Authority or consent, is the owner of any Bond issued hereunder, shall be conclusive and binding upon all future owners of the same Bond or any Bonds issued in exchange therefor or in place thereof.

(f) The Bank shall not be obligated to do any act hereunder, or to take any action toward the enforcement of the covenants hereof or the Bonds issued hereunder, or to prosecute or defend or appear in any judicial or administrative proceeding, or to take any action in regard thereto, and the Bank, unless requested so to do in writing by the holders of not less than twenty percentum (20%) in amount of all outstanding Bonds issued hereunder, and then only if indemnified to its satisfaction against any loss, cost, liability or expense incurred in so doing.

(g) The Bank shall not be liable for any action taken by it, or for any inaction on its part, in good faith and believed by it to be within its discretion or elective power hereunder; and it shall not be liable for the consequences of any error in judgment or oversight or for the acts or omissions of any person selected by it with reasonable care.

(h) The Bank shall not be required to take notice or be deemed to have notice of any state of default hereunder unless such notice shall be given in writing by a Bondholder.

(i) Notwithstanding any or all of the foregoing, the Bank shall not be absolved or relieved of any liability to any person proximately resulting from any willful or grossly negligent act or omission of the Bank.

SECTION 2. **Special Rights.**

(a) The Bank may become the owner of any Bond or Bonds, issued hereunder with the same rights as any other Bondholder, notwithstanding any trust status it may have under this Indenture.

(b) In case of any controversy between the Bank and the Authority or in case where the position of the Bank shall be or become directly adverse to that of the Authority, the trust status of the Bank shall not prevent the Bank from maintaining such adverse position, nor shall so doing disqualify the Bank from continuing in such trust status hereunder.

(c) The merger or consolidation of the Bank with any other corporation, or its succession in trust business by transfer or otherwise (except in the case of receivership or liquidation) shall not operate to remove the Bank from its status under this Indenture, but such merged, consolidated or successor corporation ipso facto shall succeed to such status without the execution or filing of any instrument whatsoever.

SECTION 3. **Successors to the Bank.**

(a) The Bank may be removed at any time by an instrument in writing, or concurrent instruments in writing, delivered to the Bank and to the Authority, signed by the holders of more than fifty percentum (50%) of all outstanding Bonds issued hereunder; or the Bank may be removed at any time by an instrument in writing, signed by the Chairman and Secretary of Trustees of the Authority; or the Bank may resign by giving notice thereof thirty (30) days prior thereto to the Authority and to Bondholders in the manner provided in this Indenture for notice of call for prior redemption of Bonds.

(b) In case of the removal or other incapacity of the Bank to act hereunder, or in case of its resignation, a successor may be appointed by the holders of such quantum of Bonds as may effect its removal or in the case of removal of the Trustee by the Authority, the Authority shall appoint such successor. Such successor shall be appointed in writing, signed by such Bondholders or by their attorneys or the Authority may appoint a substitute for the Bank to act

temporarily in its place and stead in the event of a vacancy until a successor be appointed by the Bondholders as aforesaid. In the event the Trustees of the Authority shall fail to appoint such temporary substitute within thirty (30) days after a vacancy shall occur, any Bondholder or the Bank shall have the right to apply to any court of competent jurisdiction for appointment of such temporary substitute. The Bank and each successor shall continue as Trustee hereunder until its respective successor shall have been trustee hereunder.

(c) Every successor to the Bank under the terms of the preceding paragraph, and every temporary substitute therefor, shall deliver to its predecessor and to the Authority an instrument in writing accepting such appointment under this Indenture and shall cause a copy thereof to be filed in the office of the County Clerk of Oklahoma County, State of Oklahoma, and, thereupon, such appointee shall become fully vested with all of the estates, properties, rights, powers, duties and obligations of such predecessor; but such predecessor, upon request of the Authority, shall execute and deliver to such successor such instrument or instruments in writing as shall be appropriate to transfer to and vest in such successor the said estates, properties, rights and powers. Every such predecessor to a successor appointed under this Section shall deliver, forthwith, to such successor all securities, money, documents and records and other papers in relation to this Indenture and proceedings hereunder; PROVIDED that, before any such delivery shall be required, all accrued fees and other sums due the retiring predecessor shall be paid in full.

(End of Article VIII)

ARTICLE IX

MISCELLANEOUS

SECTION 1. **Notices.**

Any notice provided for in this Indenture shall be deemed to have been given when the same shall have been deposited in the United States mail, directed to the intended recipient at the usual and customary principal business address thereof, registered or certified with postage thereon prepaid; and the time of postal cancellation shall be conclusive for all purposes.

SECTION 2. **Successors of Parties.**

All of the covenants, stipulations, conditions, agreements and undertakings herein contained shall be binding upon, and shall inure to the benefit of, the successors and assigns of the respective parties hereto, and of those having beneficial interest hereunder.

SECTION 3. **Personal Liability of Trustees.**

All expenses and obligations, and all debts, damages, judgments, decrees or liabilities incurred by any Trustee or Trustees of the Authority, and any of the foregoing incurred by any agent, servant or employee of the Authority, under or arising from or growing out of the provisions of this Indenture, shall be payable solely out of the Trust Estate of the Authority. In no event shall any Trustee or Trustees or any temporary trustee or trustees of the Authority in any manner individually be liable for any damage or for breach of contract or obligation caused by, arising from, incident to, or growing out of, the execution of the trust purposes of the Authority; nor shall they or any of them be liable for the acts or omissions of each other, or of any agent, servant, or employee of them or any of them; PROVIDED, however, that the foregoing shall not apply to any willful or grossly negligent breach of trust.

SECTION 4. **Partial Ineffectiveness.**

The invalidity or ineffectiveness for any reason of any one or more words, phrases, clauses, sentences, paragraphs, subsections, sections, or articles of this Indenture shall not affect the remaining portions thereof so long as such remaining portions shall constitute a rational instrument. Any such invalid or ineffective portion was inserted conditionally upon its being valid or effective only, and this Indenture shall be construed as if such invalid or ineffective portion had not been inserted therein.

SECTION 5. **Definitions.**

For all purposes of this Indenture, unless context otherwise shall indicate:

- (a) Words used in the singular shall include the plural and vice versa;
- (b) The word "person" shall include all legally cognizable entities;
- (c) The words "hereof" and "herein" shall be construed to refer to the entire of this Indenture and not restricted to the particular article, section, subsection or paragraph in which they occur;
- (d) The term "extensions and additions" to property shall include capital expenditures necessary to its management and operation as a going concern;
- (e) The term "Net Revenues", when used with respect to the income from specified properties, shall mean the income derived or accruing from the specified properties (together with any other income specified in this Indenture as entitled to be treated as income from such properties including, but not limited to, sales tax proceeds appropriated by the City to the Authority and actually paid to the Authority) and remaining after payment of, or providing for the payment of, the costs and expenses of operation and maintenance of such properties (excluding depreciation, other non-cash items and capital improvements). For this purpose, the "costs and expenses of operation" of the properties shall include, but not be limited to:

- (1) The necessary costs and expenses of collecting the income involved;
- (2) All payments by the Authority under any contract for the operation and/or maintenance of such properties by others for the Authority; and
- (3) All fees paid to a bond trustee or trustees under any bond indenture or indentures mortgaging said properties and/or pledging the revenues or income therefrom.

(f) "Maintenance" of the properties shall mean ordinary repairs and replacements of properties and shall be limited to minor repairs and replacements of properties which are customarily treated as a business expense by a going concern; and

(g) "Permitted Investments" shall mean investments in one or more of the following types of obligations:

(1) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"); (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (4) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively "United States Obligations").

SECTION 6. **Designation of Bonds and Qualified Tax-Exempt Obligations.**

The Authority hereby designates the Series 2020A Tax-Exempt Bonds as "qualified tax-exempt obligations" as such term is defined in Section

265(b)(3) of the Internal Revenue Code of 1986, as amended. In addition, the Authority hereby represents that:

(a) The reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) which will be issued by the Authority during calendar year 2020 does not exceed \$10,000,000.00; and

(b) The aggregate principal amount of obligations designated by the Authority to be "qualified tax-exempt obligations" during calendar year 2020, including the Series 2020A Tax-Exempt Bonds, does not exceed \$10,000,000.00.

The Chairman of Trustees is hereby authorized to take such other action as may be necessary to make effective the designation in this Section.


(End of Article IX)

IN WITNESS WHEREOF, this Indenture has been executed and delivered in multiple originals, all of which constitute one and the same instrument, pursuant to direction of, and on behalf of the Trustees of the Spencer Utilities Authority, by the Chairman of Trustees thereof, and for BancFirst, Oklahoma City, Oklahoma, as Trustee, by its duly authorized officer, on this 12th day of August, 2020, to be effective as of August 1, 2020.

SPENCER UTILITIES AUTHORITY

By [Signature]
Chairman of Trustees

ATTEST: [Signature] Marsh
Secretary of Trustees

A red circular official seal of the Spencer Utilities Authority. The outer ring contains the text "SPENCER UTILITIES AUTHORITY" and the inner circle contains the text "OFFICIAL SEAL".

BANCFIRST, OKLAHOMA CITY,
OKLAHOMA, as Trustee

By [Signature]
(Title) ATP

ATTEST: [Signature]
BANC FIRST
CORPORATE
SEAL
OKLAHOMA
(Title) [Signature]

A circular corporate seal for BancFirst Oklahoma City. The outer ring contains the text "BANC FIRST" and "CORPORATE". The inner circle contains the text "ATTEST: SEAL" and "OKLAHOMA".

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
OKLAHOMA COUNTY)

The foregoing instrument was acknowledged before me this 12th day of August, 2020, by Frank Calvin, Chairman of Trustees of the Spencer Utilities Authority, a public trust, on behalf of the trust.



Patty Elder
Notary Public

(Seal)

My Commission Expires:

3-10-2021

My Commission Number:

01001512

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 12th day of August, 2020, by Jackie Gates, Assistant Vice President and Trust Officer of BancFirst, Oklahoma City, Oklahoma, a state banking corporation, on behalf of said corporation.



Patty Elder

Notary Public

(Seal)

My Commission Expires:

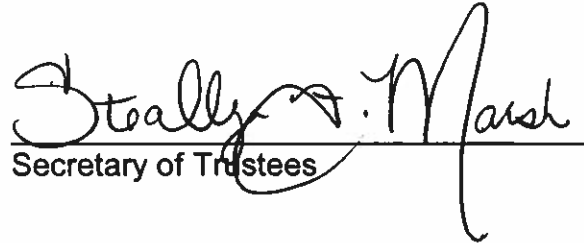
3-10-2021

My Commission Number:

01001512

CERTIFICATE

I, the undersigned Secretary of Trustees of the Spencer Utilities Authority, a public trust, hereby certify that the foregoing is a true, correct and complete copy of the Series 2020 Revenue Bond Indenture dated August 1, 2020, by and between said Authority and BancFirst, Oklahoma City, Oklahoma, as Trustee, as the same appears on file in my office as a part of the official records thereof.


Secretary of Trustees

