

SPENCER UTILITIES AUTHORITY
SERIES 2015 UTILITY SYSTEM REFUNDING AND
CAPITAL IMPROVEMENT REVENUE BONDS
ESCROW DEPOSIT AGREEMENT

THIS AGREEMENT, made and entered into as of the 1st day of August, 2020, by and between the Trustees of the Spencer Utilities Authority (the "Authority"), a public trust of which the City of Spencer, Oklahoma, is the beneficiary, BancFirst, Oklahoma City, Oklahoma, as Escrow Agent, a state banking corporation, duly organized and validly existing under the laws of the State of Oklahoma, with corporate power and authority to conduct its business and affairs as a trustee (the "Escrow Agent"),

W I T N E S S E T H:

WHEREAS, the Authority and the Escrow Agent have entered into an Indenture denominated the "Spencer Utilities Authority Series 2015 Revenue Bond Indenture", under date of April 1, 2015 securing its Series 2015 Utility System Refunding and Capital Improvement Revenue Bonds (the "Series 2015 Bonds") (the "Prior Indenture"), which provided for the issuance of and security for indebtedness of the Authority in the original principal amount of \$6,250,000.00 evidenced by bonds of the Authority (the "Prior Bonds") remaining outstanding as of the date hereof in the respective principal amounts set forth in Schedule A hereto; and

WHEREAS, the Authority has determined to issue its Utility System Revenue Bonds, Series 2020 in the aggregate principal amount of \$8,720,000.00 (the "Series 2020 Bonds") for the purpose, among others, of purchasing certain direct obligations of the United States of America and to provide a beginning cash balance, both to be held in trust and placed in escrow to provide the funds necessary to refund all of the indebtedness secured under the Prior Indenture and to obtain the release of the lien securing the Prior Bonds in order to effect a restructuring and rescheduling of payments on indebtedness of the Authority, to provide funds for capital improvements, to retire certain outstanding indebtedness of the Authority and the City, and for any other lawful purpose of the Authority, as well as to pay all costs of issuance of the Series 2020 Bonds;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the mutual advantages to be derived therefrom and the sum of \$1.00 and other good and valuable considerations in hand paid by the Authority to the Escrow Agent;

IT IS AGREED:

1. There hereby is established and created by the Escrow Agent a special and separate trust account to be known as the "Spencer Utilities Authority Series 2020 Revenue Bond Escrow Account" (the "Escrow Account"). The establishment of the Escrow Account is irrevocable on the part of either the Authority or the Escrow Agent, and the same hereby is irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Prior Bonds. At the time of delivery of this Agreement, there shall be deposited with the Escrow Agent in the Escrow Account, the amount of \$5,900,713.36 of securities described in Schedule B hereto (the "Escrowed Securities"). The Escrowed Securities shall consist solely of obligations of the United States of America or obligations of agencies of the United States of America to which the full faith and credit of the United States of America is fully, unconditionally and irrevocably pledged. Said amounts, together with the interest thereon, shall at all times be at least sufficient to pay the interest on and the principal and premium of the outstanding Prior Bonds as the same shall mature or become subject to redemption. The principal of and interest on the outstanding Prior Bonds maturing and becoming payable hereafter shall be paid according to their tenor and terms until all of the Prior Bonds shall have been paid.

2. Payment and deposit of the sums described in paragraph 1 hereof by the Authority to the Escrow Agent shall constitute and be considered as full and complete payment to all present and future holders of the Prior Bonds and henceforth said holders shall look solely to the Escrow Account under this Escrow Agreement for the source of payment of the principal thereof and interest thereon and no recourse shall be had against the Authority for such payment.

The Escrow Agent is serving as the Registrar and Paying Agent for the Prior Bonds and shall continue to fulfill such functions and obligations in the manner provided in the Prior Indenture. All terms and conditions of the Prior Bonds and the rights of the holders thereof pertaining to registration, exchange and like matters as described therein shall remain in full force and effect. The Escrow Agent shall

receive from the Authority the sum of \$1,500.00 annually as compensation for all services rendered pursuant to this Agreement and as Registrar and Paying Agent for the entire term of this Agreement upon the execution of this Agreement.

3. The Escrow Agent shall hold the Escrow Account, together with all the obligations herein authorized to be purchased and any uninvested funds contained therein, at all times as a separate and special trust account wholly segregated from all other funds and accounts of the Authority and others on deposit with it; and shall never commingle the same with other funds or securities and shall never at any time use, loan or borrow the same in any way except as provided herein; and shall invest and reinvest the funds only within the limitations set forth herein in such manner that at least sufficient funds will be available to pay the principal, as applicable, and interest on the outstanding Prior Bonds which mature on and after July 1, 2024, all of which shall be called by the Escrow Agent for redemption prior to maturity on July 1, 2023, at a premium of 101% of the principal amount thereof.

4. The Escrow Agent, as the trustee for the Prior Bonds, shall liquidate all investments of and withdraw all funds held in the Sinking Fund and the Sinking Fund Reserve Fund created on behalf of the Prior Bonds and the balance in the Bond Account established with respect to the Prior Bonds and transfer all of said funds to the Escrow Account, less any rebatable arbitrage earning which shall be paid to the United States of America.

5. The Escrow Agent shall, from time to time, redeem at maturity all or any portion of the securities in the Escrow Account without notice to the Authority in sufficient amounts so that the proceeds therefrom and the interest thereon as the same accrues will be sufficient to pay the principal, as applicable, and interest on the outstanding Prior Bonds which mature on and after July 1, 2024, all of which shall be called by the Escrow Agent for redemption prior to maturity on July 1, 2023, at a premium of 101% of the principal amount thereof.

6. The Escrow Agent shall maintain the Escrow Account until the date upon which the final maturing principal of the Prior Bonds and the final installment of interest thereon has been fully paid or until the 1st day of July, 2024, whichever is the earlier date, whereupon the Escrow Agent shall redeem any of such obligations remaining in the Escrow Account and thereupon shall remit to the Authority all unencumbered monies, if any, then remaining in the Escrow Account. Otherwise the funds deposited in the Escrow Account shall not be subject to any

claim or demand of the Authority and the Authority shall have no control over or right to the same. However, any monies held by the Escrow Agent in trust for the payment and discharge of any of the Prior Bonds or the interest thereon which remain unclaimed for six years after the date when the Prior Bonds or the interest thereon become payable, shall at the written request of the Authority, be repaid by the Escrow Agent to the Authority as its absolute property and free from trust, and the Escrow Agent shall thereupon be released and discharged with respect thereto and the holders thereof shall look only to the Authority for the payment of such Prior Bonds and interest.

7. At the written request of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to request the redemption of, or sell, transfer or otherwise dispose of, the Escrowed Securities acquired hereunder and to substitute therefor other direct obligations of or obligations fully and unconditionally guaranteed by the United States of America (the "Substitute Escrowed Securities"), which are not subject to redemption prior to maturity and which are available for purchase with the proceeds derived from such disposition on the date of such disposition. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The foregoing transactions may be effected only by simultaneous sale and purchase transactions and only if: (i) the amounts and dates of the anticipated transfers from the Escrow Account to the trustee and or the paying agent for the Prior Bonds will not be diminished or postponed thereby; and (ii) the Escrow Agent shall receive from an independent certified public accountant a certification that, after such transaction, the principal amount of and interest income on the Substitute Escrowed Securities, together with any other moneys available for the purpose, will be sufficient to pay when due all principal of, redemption premium, if any, and interest on the Prior Bonds which have not been paid previously.

8. Notwithstanding the release of the lien of the Prior Indenture, all of the provisions of the Prior Indenture shall remain in full force and effect as between the Escrow Agent as trustee thereunder and the Authority in relation thereto and in relation to the Escrow Account.

9. The Escrow Agent shall, in sufficient time prior to the dates on which principal and/or interest on the Prior Bonds shall become due and payable, make proper arrangements with any bank or agency serving as an additional paying agent

for the transfer of sums which shall be sufficient for the payment of, principal of and interest on any of the outstanding Prior Bonds as the same shall be or become due and payable. Any forwarding or transfers and the making of necessary arrangements therefor, shall be the duty of the Escrow Agent and any other bank or agency serving as an additional paying agent, and it shall not be necessary for the Authority to take any affirmative action as a condition precedent to the duty of the Escrow Agent to forward or transfer such funds to any additional paying agent.

10. The Escrow Agent, on or before the 30th day of July of each year during the term of this Agreement, shall forward to the Authority a written statement detailing the income, investments, redemptions and withdrawals of all obligations and monies in and from the Escrow Account for the immediately preceding fiscal year (which for the purposes of this Agreement commences on the first day of July of each calendar year and ends on the last day of June of said year). In addition, the Authority shall have the right at any time during regular business hours to examine any and all of the Escrow Agent's records regarding the status of the Escrow Account and the details of said income, investments, redemptions and withdrawals pertaining thereto.

11. Any cash received by the Escrow Agent from the investment of the Escrow Account, if not then needed for the payment of maturing principal of or interest on the Bonds, shall be deposited in the Escrow Account, all subject to the provisions of paragraph 12 hereof.

12. The Authority shall provide, upon the delivery of the Series 2020 Bonds, instructions by the Authority to the Escrow Agent with respect to the investment and reinvestment of funds held in the Escrow Account which instructions shall be consistent with the investments contemplated by the aforesaid certification or a new certification issued in accordance with the terms of this Agreement; furthermore, the Authority shall provide, from time to time, as may be required, written instructions and directions to the Escrow Agent with respect to current arbitrage requirements. The Escrow Agent agrees to follow all instructions to it from the Authority; PROVIDED, that any costs or expenses reasonably incurred by the Escrow Agent in connection with such instructions shall be promptly paid or reimbursed by the Authority upon demand by the Escrow Agent.

13. The Escrow Agent is authorized to and shall execute and deliver any and all instrumentation and documentation required to evidence the release of the Prior Indenture upon execution and delivery of this Agreement and henceforth the Prior Bonds are and shall be secured entirely by this Escrow Agreement.

14. The Escrow Agent agrees to perform all the duties and obligations imposed upon it respectively by this Agreement as well as those provisions of the Prior Indenture applicable to the performance of this Agreement. The Escrow Agent shall not be liable or responsible for any act done or step taken or omitted by it or any mistake of fact or law or for anything which it may do or refrain from doing, except for its own negligence, default or willful misconduct. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained in this Agreement, but such are made upon the representations of the Authority.

If the Escrow Agent shall cease to be the entity with which moneys and other securities are to be deposited to effectuate the refunding of the Prior Bonds under the Prior Indenture, then, upon appointment of a successor Trustee for such purpose, all the title, rights, duties and obligations of the Escrow Agent under this Agreement and with respect to the Escrowed Securities and other funds deposited or to be deposited or received by the Escrow Agent under this Agreement shall be transferred to such successor Trustee upon acceptance by such successor Trustee of the trust created hereunder, all in accordance with the Prior Indenture and all further title, rights, duties and obligations of the Escrow Agent under this Agreement shall cease and determine and be discharged, saving rights or liabilities thereto accrued to or by the Authority or the Escrow Agent. Any resignation or removal of the Escrow Agent shall become effective only upon the appointment of and acceptance by a successor Trustee.

15. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

16. This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without: (i) the written consent of one hundred percent (100%) of the holders in principal amount of the Prior Bonds affected thereby and outstanding at the time such election is made, and, (ii) the written consent of the Escrow Agent; PROVIDED, however, that the Authority and the Escrow Agent may, without the consent of, or notice to the Prior Bondholders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of the Prior Bondholders hereunder, under the Prior Bonds, under the Prior Indenture as theretofore amended or supplemented and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Agreement; and

(b) To grant to or confer upon the Escrow Agent for the benefit of the Prior Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent. The Escrow Agent shall be entitled to rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Prior Bondholders or that any instrument executed hereunder complies with the conditions or provisions of this Section.

17. The recitals of fact in this Agreement shall be taken as the statements of the Authority and the Escrow Agent does not assume hereby any responsibility for the correctness or completeness of the same. The Escrow Agent shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified. The Escrow Agent shall not be liable in connection with the performance of its respective duties hereunder except for its own negligence, default or willful misconduct.

18. The Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may be counsel to the Authority and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by

it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person duly authorized by the Authority and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Agreement upon the faith thereof, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

19. The Authority shall indemnify and save harmless the Escrow Agent against any loss, liabilities or expense which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its own negligence, default or willful misconduct.

20. This Agreement shall, to the fullest extent permitted by law, be interpreted, construed and enforced pursuant to the laws of the State of Oklahoma.

21. This Agreement is made for the sole and exclusive benefit of the parties hereto and the Prior Bondholders. Nothing contained in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to any person other than the parties mentioned in the immediately preceding sentence any right, remedy or claim under or by reason of this Agreement.

22. This Agreement may be executed in several counterparts and when at least one counterpart has been fully executed by each party hereto, this Agreement shall become binding on the parties hereto. All or any of said executed counterparts shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. The Escrow Agent has no lien on the investment of moneys and funds held by it as Escrow Agent for payment of its compensation or reimbursement of its expenses or losses and the Escrow Agent shall look only to the Authority for the payment or reimbursement thereof.



24. This Agreement shall completely and fully supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the parties hereto relating to the transactions contemplated hereby.

25. This Agreement shall be binding upon the Escrow Agent and the Authority and upon their respective successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Escrow Agent and the Authority and their respective successors, transferees and assigns. This Agreement may not be assigned by the Authority or the Escrow Agent without the prior written consent of the non-assigning party.

IN WITNESS WHEREOF, the Authority has caused this Escrow Agreement to be executed by its Chairman of Trustees and attested by its Secretary of Trustees and has caused the seal of the Authority to be affixed hereto, the Escrow Agent for itself, its successors or assigns, as trustee, has caused this Escrow Agreement to be executed by its authorized officers and has caused its corporate seal to be affixed hereto, the day and year first above written.



SPENCER UTILITIES AUTHORITY

By 
Chairman of Trustees

ATTEST 

Secretary of Trustees

BANCFIRST, OKLAHOMA CITY,
OKLAHOMA, as Escrow Agent

By 
Authorized Officer

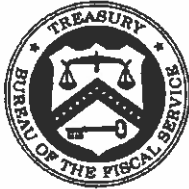
ATTEST 

(Title)

SCHEDULE A

Principal Amount of Prior Bonds

"Spencer Utilities Authority Utility System Refunding and Capital Improvement Revenue Bonds Series 2015", dated April 1, 2015, in the original principal amount of \$6,250,000.00, and presently outstanding in the principal amount of \$5,285,000.00.

SCHEDULE B
Escrowed Securities



DEPARTMENT OF THE TREASURY

BUREAU OF THE FISCAL SERVICE

PARKERSBURG, WV 26106-0396

SUBSCRIPTION CONFIRMATION

State and Local Government Series Securities

Treasury Case Number:	202002227
Program Type:	Time Deposit
Issue Amount:	\$5,900,713.00
Issue Date:	08/12/2020
Owner Name:	Spencer Utilities Authority
TIN:	73-6085614
Rate Table Date:	07/23/2020
Status:	Complete
Confirmation Date:	07/23/2020
Confirmation Time:	02:55 PM EDT



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 07/23/2020 02:56 PM EDT
Page: 1 of 2

Issue Information

Treasury Case Number 202002227
Status Complete
Issue Date 08/12/2020
Issue Amount \$5,900,713.00
Rate Table Date 07/23/2020

Owner

Taxpayer Identification Number 73-6085614
Underlying Bond Issue Utility System Revenue Bonds, Taxable Refunding Series 2020B
Owner Name Spencer Utilities Authority
Address Line 1 PO Box 660/8200 NE 36th Street
Line 2
Line 3
City Spencer
State OK
Zip Code 73084
Contact Name Frank Calvin
Telephone 405-771-3226
Fax 405-771-3228
E-mail cityclerk@cityofspencerok.gov

Trustee

ABA Routing Number 103003632
Bank Reference Number
Bank Name BancFirst
Address Line 1 101 N Broadway
Line 2
Line 3
City Oklahoma City
State OK
Zip Code 73102
Contact Name Jackie Gates
Telephone 405-218-4645
Fax 405-270-4779
E-mail jgates@bancfirst.com

Funds for Purchase

ABA Routing Number 103003632
Bank Name BancFirst
Contact Name Jackie Gates
Telephone 405-218-4645
Fax 405-270-4779
E-mail jgates@bancfirst.com



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 07/23/2020 02:56 PM EDT
Page: 2 of 2

ACH Institutions & Instructions

ABA Routing Number 103003632
Bank Name BancFirst
Address Line 1 101 N Broadway
Line 2
Line 3
City Oklahoma City
State OK
Zip Code 73102
Contact Name Jackie Gates
Telephone 405-218-4645
Fax 405-270-4779
E-mail jgates@bancfirst.com

ABA Routing Number 103003632
Account Name Spencer 2020
Account Number 90127240
Account Type Checking

Subscriber

ABA/TIN 81-0139474
Organization Name D.A. Davidson & Co.
Address Line 1 1550 Market St., Suite 300
Line 2
Line 3
City Denver
State CO
Zip Code 80202
Contact Name Elizabeth Ashton
Telephone 303-764-6026
Fax 303-764-6001
E-mail eashton@dadco.com

Viewers

ABA/TIN	Organization Name
No Viewers Assigned	

Securities

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$98,847.00	0.120000000	01/01/2021		
2	C of I	\$312,604.00	0.130000000	07/01/2021		
3	Note	\$94,739.00	0.130000000	01/01/2022	01/01/2021	
4	Note	\$314,800.00	0.130000000	07/01/2022	01/01/2021	
5	Note	\$91,705.00	0.140000000	01/01/2023	01/01/2021	
6	Note	\$4,988,018.00	0.150000000	07/01/2023	01/01/2021	

STATE AND LOCAL GOVERNMENT SERIES

TIME DEPOSIT

The United States Treasury Securities - State and Local Government Series subscribed for on PD F 4144 and account information

furnished on PD F 4144-1 to which this schedule is attached and incorporated, are requested to be issued and held in book-entry

accounts on the books of the Department of the Treasury.

[illegible]

*A first interest payment date must be specified for interest bearing securities with a maturity date greater than one year.

Taxpayer Identification Number:
Name of State or Local Government Body:

\$6,530,000

SPENCER UTILITIES AUTHORITY

REF (TAXABLE) 2020-stairstep-15YR_FINAL

SLGS Payment Table

DATE	0.120% CD	0.130% CD	0.130% Note	0.130% Note	0.140% Note	0.150% Note	TOTAL
01/01/2021	98,893.14	-	47.52	157.91	49.54	2,887.08	102,035.19
07/01/2021	-	312,963.62	61.58	204.62	64.19	3,741.01	317,035.02
01/01/2022	-	-	94,800.58	204.62	64.19	3,741.01	98,810.40
07/01/2022	-	-	-	315,004.62	64.19	3,741.01	318,809.82
01/01/2023	-	-	-	-	91,769.19	3,741.01	95,510.20
07/01/2023	-	-	-	-	-	4,991,759.01	4,991,759.01
Total	98,893.14	312,963.62	94,909.68	315,571.77	92,011.30	5,009,610.13	5,923,959.64

CERTIFICATE RELATING TO THE ESCROW AGREEMENT

I, Frank Calvin, Chairman of Trustees of the Spencer Utilities Authority (the "Authority"), a public trust of the State of Oklahoma, hereby certify to BancFirst, Oklahoma City, Oklahoma (the "Bank"), the Escrow Agent under the Escrow Agreement dated August 1, 2020, between the Authority and the Bank (the "Escrow Agreement") and to the holders of outstanding the Spencer Utilities Authority Utility System Refunding and Capital Improvement Revenue Bonds Series 2015 in the original principal amount of \$6,250,000.00, dated April 1, 2015 (the "Bonds"), that:

(i) The necessary sums of money have been calculated and deposited in an escrow account created under the Escrow Agreement to pay the principal of, premium, if any, and interest on all of the aforesaid outstanding Bonds as provided under the terms of the Escrow Agreement; and

(ii) In the event that the sums of money on deposit in the aforesaid escrow account are insufficient to provide the necessary payments as required under the Escrow Agreement, the Authority shall cause additional sums of money to be deposited into said escrow account to sufficiently make the required payments under the Escrow Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Spencer Utilities Authority, on this 12th day of August, 2020.


Chairman of Trustees

**SPENCER UTILITIES AUTHORITY
SPENCER, OKLAHOMA**

DEFEASANCE REPORT

APPENDIX A
SPENCER UTILITIES AUTHORITY
SPENCER, OKLAHOMA
REPORT INDEX

Schedule Title	Page Number
Defeasance Report	
I. Cash Flow	1
II. Cash & Securities	2
III. Utility System Refunding and Capital Improvement Revenue Bonds, Series 2015	3

WOODRUM, TATE & ASSOCIATES, PLLC

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Clayton E. Woodrum
Thomas C. Tate
Shawna M. Robinson

July 27, 2020

Mr. Randy Nelson
D.A. Davidson & Co
401 S. Boston, Suite 2520
Tulsa, OK 74103

Mr. Frank Calvin, Chairman
Spencer Utilities Authority
8200 NE 36th St
Spencer, OK 73084

Mr. Chris Byrom
Johanning & Byrom, PLLC
3134 N.W. 23rd
Oklahoma City, OK 73107

Mr. Greg Nieto
The Baker Group, LP
1601 Northwest Expressway, 20th Floor
Oklahoma City, OK 73118

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BancFirst
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Oklahoma City, OK 73102

Mr. David L. Kinney
Attorney At Law
313 NE 21st St
Oklahoma City, OK 73105

Subject: Spencer Utilities Authority (the "Authority")

- Utility System Refunding and Capital Improvement Revenue Bonds, Series 2015 ("2015 Bonds")

Dear Ladies & Gentlemen:

At your request, we have applied certain agreed-upon procedures to the accompanying Schedules presented in Appendix A (the "Schedules") relating to the defeasance of the obligations referenced below. The Schedules were prepared on behalf of the Spencer Utilities Authority (the "Authority"), as provided to us by the Authority. This report is solely for the information of management of the Authority, the underwriter, the financial advisor, and the bond counsel. This report should not be used for any other purpose.

These Schedules quantitatively present the Authority's assertions that:

It is anticipated the cash and securities identified in the accompanying schedules will defease the Spencer Utilities Authority \$6,250,000 Utility System Refunding and Capital

WOODRUM, TATE & ASSOCIATES, PLLC

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Thomas C. Tate
Shawna M. Robinson

Improvement Revenue Bonds, Series 2015 (the "2015 Bonds"), of which \$5,285,000 remains outstanding.

The cash and securities will be sufficient to pay, when due, principal and interest, assuming the 2015 Bonds are held until the call date at July 1, 2023 and are redeemed in full on that date.

Assuming the 2015 Bonds are defeased as specified in the Schedules and the cash is deposited as shown in the Schedules, we have determined that the calculation of the projected cash flow to pay the principal, and interest on the Outstanding Bonds as shown in the Schedules is mathematically accurate.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the Schedules referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the Schedules should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no responsibility to update this report for events and circumstances occurring or data or information coming to our attention subsequent to the date of this report. This report relates only to the Schedules referred to above and does not extend to any financial statements of the Authority, taken as a whole.

Woodrum, Tate & Associates, PLLC
Woodrum, Tate & Associates, PLLC

SPENCER UTILITIES AUTHORITY

UTILITY SYSTEM REFUNDING AND CAPITAL IMPROVEMENTS REVENUE BONDS, SERIES 2015

INVESTMENT INFLOW

DEBT SERVICE

DATE	CASH	PRINCIPAL RECEIVED	INTEREST RECEIVED	TOTAL INFLOW	BOND PRINCIPAL	PREMIUM	INTEREST DUE	TOTAL OUTFLOW	CASH-ESCROW BALANCE
7/1/2020	0.36			0.36				-	0.36
1/1/2021	-	98,847.00	3,188.19	102,035.19			102,035.00	102,035.00	0.55
7/1/2021	-	312,604.00	4,431.02	317,035.02	215,000.00		102,035.00	317,035.00	0.57
1/1/2022	-	94,739.00	4,071.40	98,810.40			98,810.00	98,810.00	0.97
7/1/2022	-	314,800.00	4,009.82	318,809.82	220,000.00		98,810.00	318,810.00	0.79
1/1/2023	-	91,705.00	3,805.20	95,510.20			95,510.00	95,510.00	0.99
7/1/2023	-	4,988,018.00	3,741.01	4,991,759.01	4,850,000.00	46,250.00	95,510.00	4,991,760.00	0.00
	0.36	5,900,713.00	23,246.64	5,923,960.00	5,285,000.00	46,250.00	592,710.00	5,923,960.00	

SPENCER UTILITIES AUTHORITY

CASH & SECURITIES

UTILITY SYSTEM REFUNDING AND CAPITAL IMPROVEMENTS REVENUE BONDS, SERIES 2015

	MATURITY DATE	PRINCIPAL CALCULATED	RATE	INTEREST PERIOD	INTEREST	TOTAL
<hr/>						
SECURITIES:						
	1/1/2021	98,847.00	0.120%	1/2	46.14	98,893.14
	7/1/2021	312,604.00	0.130%	1	359.62	312,963.62
	1/1/2021	94,739.00	0.130%	1/2	47.52	
	7/1/2021	94,739.00	0.130%	1/2	61.58	
	1/1/2022	94,739.00	0.130%	1/2	61.58	
		94,739.00			<u>170.68</u>	94,909.68
	1/1/2021	314,800.00	0.130%	1/2	157.91	
	7/1/2021	314,800.00	0.130%	1/2	204.62	
	1/1/2022	314,800.00	0.130%	1/2	204.62	
	7/1/2022	314,800.00	0.130%	1/2	204.62	
		314,800.00			<u>771.77</u>	315,571.77
	1/1/2021	91,705.00	0.140%	1/2	49.54	
	7/1/2021	91,705.00	0.140%	1/2	64.19	
	1/1/2022	91,705.00	0.140%	1/2	64.19	
	7/1/2022	91,705.00	0.140%	1/2	64.19	
	1/1/2023	91,705.00	0.140%	1/2	64.19	
		91,705.00			<u>306.30</u>	92,011.30
	1/1/2021	4,988,018.00	0.150%	1/2	2,887.08	
	7/1/2021	4,988,018.00	0.150%	1/2	3,741.01	
	1/1/2022	4,988,018.00	0.150%	1/2	3,741.01	
	7/1/2022	4,988,018.00	0.150%	1/2	3,741.01	
	1/1/2023	4,988,018.00	0.150%	1/2	3,741.01	
	7/1/2023	4,988,018.00	0.150%	1/2	3,741.01	
		4,988,018.00			<u>21,592.13</u>	5,009,610.13
TOTAL SECURITIES		<u>5,900,713.00</u>			<u>23,246.64</u>	<u>5,923,959.64</u>
CASH:		0.36	-			0.36
TOTAL CASH & SECURITIES						<u><u>5,923,960.00</u></u>

SPENCER UTILITIES AUTHORITY

UTILITY SYSTEM REFUNDING AND CAPITAL IMPROVEMENTS REVENUE BONDS, SERIES 2015

MATURITY DATE	PRINCIPAL CALCULATED	RATE	SEMI-ANNUAL INTEREST JAN '21 & JUL '21	SEMI-ANNUAL INTEREST JAN '22 & JUL '22	SEMI-ANNUAL INTEREST JAN '23 & JUL '23
BONDS:					
7/1/21	215,000.00	3.000%	3,225.00	-	
1/1/22					
7/1/22	220,000.00	3.000%	3,300.00	3,300.00	
1/1/23					
7/1/23	225,000.00	3.000%	3,375.00	3,375.00	3,375.00
1/1/24					
7/1/24	235,000.00	3.150%	3,701.25	3,701.25	3,701.25
1/1/25					
7/1/25	240,000.00	3.300%	3,960.00	3,960.00	3,960.00
1/1/26					
7/1/26	250,000.00	3.450%	4,312.50	4,312.50	4,312.50
1/1/27					
7/1/27	260,000.00	3.600%	4,680.00	4,680.00	4,680.00
1/1/28					
7/1/28	270,000.00	3.700%	4,995.00	4,995.00	4,995.00
1/1/29					
7/1/29	275,000.00	3.800%	5,225.00	5,225.00	5,225.00
1/1/30					
7/1/30	290,000.00	3.900%	5,655.00	5,655.00	5,655.00
1/1/31					
7/1/31	300,000.00	4.250%	6,375.00	6,375.00	6,375.00
1/1/32					
7/1/32	310,000.00	4.250%	6,587.50	6,587.50	6,587.50
1/1/33					
7/1/33	325,000.00	4.250%	6,906.25	6,906.25	6,906.25
1/1/34					
7/1/34	340,000.00	4.250%	7,225.00	7,225.00	7,225.00
1/1/35					
7/1/35	355,000.00	4.250%	7,543.75	7,543.75	7,543.75
1/1/36					
7/1/36	370,000.00	4.250%	7,862.50	7,862.50	7,862.50
1/1/37					
7/1/37	805,000.00	4.250%	17,106.25	17,106.25	17,106.25
	5,285,000.00		102,035.00	98,810.00	95,510.00



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September 10, 2020

Spencer Utilities Authority
Spencer, Oklahoma

Re: \$6,250,000 Utility System Refunding and Capital Improvement Revenue Bonds, Series 2015 (the "Bonds") issued by the Spencer Utilities Authority – Legal Opinion Regarding Arbitrage Rebate Analysis as of April 29, 2020

Ladies and Gentlemen:

We have acted as counsel to the Spencer Utilities Authority (the "Authority") in connection with the preparation of the Arbitrage Rebate Analysis dated April 29, 2020 (the "Arbitrage Analysis") for the above-referenced Bonds. We have attached as Exhibit A our Explanation of Arbitrage Rebate Analyses and as Exhibit B our Arbitrage Rebate Analysis.

Our opinion is based on the facts and assumptions stated in the Explanation of Arbitrage Rebate Analyses. Capitalized terms used in this opinion have the same meaning as described in the Explanation of Arbitrage Rebate Analyses.

We have assumed that the financial records provided to us are accurate and correct. Unless otherwise noted in the Explanation of Arbitrage Rebate Analyses, we have also assumed that the proceeds of the Bonds and other funds were used and invested in accordance with the documents contained in the Transcript, including, but not limited to, the Arbitrage Rebate Agreement and Arbitrage Certificate of the Authority.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The accounting method, identification of funds and accounts subject to rebate or yield reduction payment restrictions and the overall methodology employed in the preparation of the Arbitrage Analysis are in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and United States Treasury Regulations and decisions.
2. As of the Computation Date, no rebate payment is required to be made for the Bonds.
3. As of the Computation Date, no yield reduction payment is required to be made for the Bonds.

Our opinion is based on statutes, regulations and decisions in effect as of this date, and is intended for and can be relied on only by the parties to whom it is addressed. We understand that the Authority will use this opinion and the Arbitrage Analysis to determine whether any rebate liability or yield reduction payment is due and the amount and timing of that payment.

In preparing the Arbitrage Analysis, we have exercised our best efforts to (1) correctly analyze the financial records provided to us and correctly incorporate those records into the Arbitrage Analysis, (2) correctly interpret applicable provisions of the Code, United States Treasury Regulations, rulings, and decisions, and (3) accurately compute the amount of rebate payment or yield reduction payment owed to the Internal Revenue Service (the "IRS"). This opinion represents our reasoned judgment based on the financial records provided to us and existing statutes, regulations, rulings and decisions and the stated assumptions in the Explanation of Arbitrage Rebate Analysis. The conclusions in this opinion are not binding on the IRS.

We express no opinion as to the tax-exempt status of interest on the Bonds or as to compliance with the terms of the covenants and documents under which the Bonds were issued.

Very truly yours,

Gilmore & Bell, P.C.

MKM:jlmm