

Loan Agreement
Dated
February 7, 2012

Between

Clinton Industrial Authority P. O. Box 1177 Clinton, OK 73601 (Borrower)	and	Oklahoma Bank and Trust Co. P. O. Box 99 Clinton, OK 73601 (Bank)
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A. BASIC CREDIT TERMS

BORROWER: Clinton Industrial Authority

GUARANTOR: City of Clinton/City Council

AMOUNT: \$4,000,000.00

TERM: 8 years
1 ½ years Construction/Advancable
6 ½ years Payout/Semi annual payments

PURPOSE: Build & Equip City of Clinton Firestation

INTEREST RATE: 2.95% Fixed over 8 years Term

CLOSING FEES: Borrower shall reimburse Lender for all "out of pocket" expense incurred which are necessary to close the transaction and perfect Lender's security interest, including but not limited to searches, inspections, title insurance, and legal costs. In the event the loan is not closed, Borrower shall reimburse Lender for legal and other closing costs incurred.

LATE CHARGE AND DEFAULT INTEREST: A late payment charge of 5% of the payment will be assessed on all payments received more than 10 days after it scheduled due date.

PREPAYMENT: No prepayment penalties shall be assessed on any prepayments.

B. COLLATERAL REQUIREMENTS

COLLATERAL: Transaction is to be secured by a first lien position on land, buildings and equipment of a new fire station for the City of Clinton.

ASSIGNMENTS: Borrower will enter into a Sales Tax Security Agreement with the City of Clinton covering 52 percent of the 0.95 percent sales tax levied pursuant to Resolution 796 and will assign a pledge such security agreement to Bank as additional collateral.

JUNIOR LIEN: No liens or encumbrances on the collateral will be permitted except those in favor of Lender.

**ENVIRONMENTAL
REQUIREMENTS:**

A) Borrower will meet or exceed all EPA requirements or regulations that are in effect and will meet or exceed all applicable future EPA requirements or regulations as they become effective.

B) Borrower will promptly take whatever action is necessary when they have knowledge that an environmental accident has occurred including the financial responsibility for the clean up process.

RISK INSURANCE: A copy of the property insurance policy to include the following information is required prior to funding:

- 1) Expiration Date of Policy.
- 2) Oklahoma Bank and Trust named as Mortgagee and Loss Payee.
- 3) Location of Collateral.
- 4) Aggregate/Liability Limit.
- 5) Deductible Amount.
- 6) Coverage Amounts.

C. FINANCIAL STATEMENTS

FINANCIAL: Annual financial statements of Borrower and guarantor shall be furnished to Lender within 120 calendar days of the end of each fiscal year-end period.

D. GENERAL PROVISIONS. Borrower agrees to the following:

- A. No modification, consent or waiver of any provision of this Agreement, nor consent by Bank to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by an officer of Bank, and then shall be effective only in the specific instance and for the purpose for which given;
- B. No act, delay or omission, including Bank's waiver of remedy because of any Default hereunder, shall constitute a waiver of any of Bank's rights and remedies under this Agreement or any other agreement between the parties. All rights and remedies of Bank are cumulative and may be exercised singularly or concurrently, and the exercise of any one or more remedies will not be a waiver of any other. No waiver, change, modification or discharge of any of Bank's rights or of Borrower's duties as so specified or allowed will be effective unless in writing and signed by a duly authorized officer of Bank, and any such waiver will not be a bar to the exercise of any right or remedy on any subsequent Default;
- C. This Agreement shall inure to the benefit of the successors and assigns of Bank and shall be binding upon the successors and assigns of Borrower;
- D. Bank at any time at its option may pledge, transfer or assign its rights under this Agreement in whole or in part, and any pledgee, transferee, or assignee shall have all the rights of Bank as to the rights or parts thereof so pledged, transferred or assigned, provided, however, that Borrower shall not assign any of its rights hereunder except with the written consent of Bank;
- E. The Authority will designate the note as a "qualified tax exempt obligation" within the meaning of Section 765 of the Internal Revenue Code.

F. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein;

E. EVENTS OF DEFAULT. Borrower shall be in Default under this Agreement upon the happening of any one or more of the following events or conditions, herein called "Default":

- A. Any payment required by anyone note or, obligation of Borrower to Bank or to others is not made when due or in accordance with the terms of the applicable contract;
- B. Borrower defaults in the performance of any covenant, obligation, warranty or provision contained in this loan agreement or in anyone agreement to which Borrower is a party or in any note, obligation, contract or undertaking of Borrower to or with Bank or others;
- C. Any warranty, representation, financial information, or statement made or furnished to Bank by or in behalf of Borrower proves to have been false in any material respect when made or furnished;
- D. The making of any levy against or seizure, garnishment or attachment of any property of Borrower;
- E. Failure by Borrower to pay any indebtedness at maturity, or the occurrence of any event which results in acceleration of the maturity of any obligation of Borrower to Bank or to others under any promissory note, agreement, or undertaking;
- F. Appointment of a receiver over any part of the property of Borrower, the assignment of property of Borrower for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Borrower or any guarantor or surety of Borrower.

Dated this _____ day of _____, 2012.

SIGNATURES

CONFIRMED:

BORROWER:

OKLAHOMA BANK AND TRUST COMPANY
P. O. Box 99, Clinton, OK 73601

ATTEST:

STATE OF OKLAHOMA, COUNTY OF CUSTER, SS.

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, to me known to be the identical person who executed the foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

Witness my hand and seal the _____ day of _____, 2012.

My Commission Expires:

Notary Public