
LOAN AGREEMENT AND NOTE

By and Between

RURAL WATER FINANCING AGENCY

and

TOWN OF JEROME, ARIZONA,
as Borrower

dated as of October 22, 2024

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LOAN AGREEMENT AND NOTE

This Loan Agreement and Note made and entered into as of October 22, 2024 (the “Loan Agreement”) by and between the RURAL WATER FINANCING AGENCY, an interlocal agency of the Commonwealth of Kentucky (the “Agency”) and TOWN OF JEROME, ARIZONA (the “Borrower”), a municipality of the State of Arizona:

WITNESSETH

WHEREAS, the Agency has established its Public Projects Construction Financing Program (the “Program”) to offer interim financing to public agencies for construction of public projects for the purpose of providing loans at reduced interest costs; and

WHEREAS, the Agency has issued a series of its Public Projects Construction Notes (the “Notes”) as defined in the attached Exhibit A - Terms and Provisions (the “Term Sheet”) pursuant to a Trust Indenture dated as of November 9, 2021, as supplemented by Supplemental Trust Indenture as defined in the Term Sheet (collectively, the “Indenture”) between the Agency and Regions Bank, trustee (the “Trustee”), to finance the Program and to make Loans to public agencies, such as the Borrower, for construction of their projects; and

WHEREAS, the Borrower has obtained a commitment for Permanent Financing for its Project as hereinafter defined, from the United States Department of Agriculture, acting through Rural Development (“RD”); and

WHEREAS, the Borrower has determined that it is necessary and desirable to acquire, construct, and finance the Project, and the Agency has determined that the Borrower is a public agency as defined in the Act (hereinafter defined) and the Project is a project qualifying for financial assistance from the Agency through the Program; and

WHEREAS, pursuant to this Loan Agreement, the Borrower will proceed with the construction of the Project; and

WHEREAS, pursuant to this Loan Agreement, the Borrower pledges to the Agency all right, title and interest in and to monies to be received pursuant to the Permanent Financing (hereinafter defined), which monies will be assigned by the Agency to the Trustee to pay principal of and interest on the Notes and the associated costs of the Program; and

WHEREAS, the Agency is willing to cooperate with the Borrower in making available the Loan to be applied to the construction of the Project upon the conditions hereinafter enumerated and the covenants by the Borrower herein contained; and

WHEREAS, the Agency and the Borrower have determined to enter into this Loan Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the construction and financing of the Project and the repayment of the Loan;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Except as set forth below, all of the capitalized terms utilized in this Loan Agreement will have the same definitions and meaning as ascribed to them in the Indenture. Terms defined in the Indenture and applicable to all borrowers under the Program shall when used in this Loan Agreement relate solely to the Borrower, who is a party hereto, unless otherwise expressly stated.

“*Act*” means Section 65.210 through 65.300 of the Kentucky Revised Statutes, as amended.

“*Agency*” means the Rural Water Financing Agency, an interlocal agency created and established under the Act.

“*Agency Notes*” means the series of the Agency’s Public Projects Construction Notes described in the Term Sheet.

“*Authorized Officer*” means with respect to the Issuer, its Chairperson, Vice-Chairperson, President, any Vice-President, Treasurer, Secretary or Assistant Secretary, and any other of its members, officers, agents, or employees duly authorized by resolution of the Issuer to perform the act or sign the document in question; with respect to any Borrower, the officers designated as such by the Borrower to act on its behalf with respect to the Borrower Documents as evidenced by a written certificate furnished to the Trustee.

“*Borrower’s Account*” means the separate account within the Program Fund under the Indenture, established for the Borrower’s Loan.

“*Business Day*” means any day other than (a) a Saturday, a Sunday or legal holiday, or (b) a day on which banking institutions in any city in which the payment office of the Trustee or any Paying Agency is located are required or authorized by law to remain closed.

“*Code*” means the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

“*Commitment Letter*” means the RD Commitment Letter evidencing the approval by RD of Permanent Financing for the Project.

“*Commonwealth*” means the Commonwealth of Kentucky.

“*Costs*” or “*Project Costs*” means the costs of the Project as approved by RD, including interest during the construction of the Project.

“*Engineers*” means the firm of consulting engineers employed by the Borrower in connection with the Project, as identified in the Term Sheet.

“*Governing Body*” means the legislative body which serves as the governing authority of the Borrower under the laws of State at any given time.

“*Immediate Notice*” means notice given by telecopy, telegraph or other electronic means, promptly confirming in writing in accordance with the requirements of this Loan Agreement.

“*Indenture*” means the Trust Indenture dated as of November 9, 2021, between the Agency and the Trustee, as supplemented and further amended from time to time.

“*Interest Rate*” means the Interest Rate set forth and described in the Term Sheet.

“*Investment Earnings*” means interest earned on amounts on deposit in the Borrower’s Account.

“*Loan*” means the loan effected pursuant to this Loan Agreement.

“*Loan Agreement*” means this Loan Agreement and Note made and entered into by and between the Borrower and the Agency, providing for a Loan to the Borrower by the Agency, and for the repayment thereof to the Agency by the Borrower.

“*Loan Amount*” means the principal amount of the Loan as set forth and described in the Term Sheet.

“*Loan Payment Date*” means any payment date as set forth in the Term Sheet relating to the Loan, including the date of the final payment of principal and interest made on the Loan.

“*Loan Payments*” means all payments required to be made to the Agency by the Borrower under this Loan Agreement.

“*Maturity Date*” means the maturity date set forth and described in the Term Sheet.

“*Permanent Financing*” means bonds, notes or obligations issued by the Borrower and delivered to RD as purchaser.

“*Permanent Financing Documents*” means loan documents or any instruments, proceedings or other documentation authorizing the issuance of or securing the payment of the Permanent Financing, as described in Section 2.3 hereof.

“*Person*” means any individual, firm, partnership, association, corporation, limited liability company, public agency or governmental entity.

“*Prepayment Date*” means any day on or after the Prepayment Date set forth and described in the Term Sheet.

“*Project*” means the Project set forth and described in the Term Sheet.

“*Public Agency*” means any “public agency” as defined in the Act.

“*RD*” means the United States Department of Agriculture - Rural Development, or its successors or assigns.

“*Requisition for Funds*” means the form attached hereto as Exhibit B to be utilized by the Borrower in obtaining disbursements of the Loan from the Trustee.

“*State*” means the state set forth and described in the Term Sheet and in which the Borrower or its System is located.

“*System*” means the utility system owned and operated by the Borrower of which the Project shall become a part.

“*Term Sheet*” means the Terms and Provisions Sheet set forth in Exhibit A attached hereto.

“*Trustee*” means Regions Bank, an Alabama corporation, and its successor or successors, and any other corporation acting at any time as Trustee under the Indenture.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Agency. The Agency represents and warrants for the benefit of the Borrower as follows:

(a) The Agency is an interlocal agency established and created under the Act, has all necessary power and authority to enter into, and perform its obligations under, this Loan Agreement, and has duly authorized the execution and delivery of this Loan Agreement.

(b) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby,

conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Agency is now a party or by which the Agency is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Agency, there is no litigation or proceeding pending or threatened against the Agency or any other person affecting the right of the Agency to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Agency, nor compliance by the Agency with its obligations under this Loan Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) The authorization, execution and delivery of this Loan Agreement and all actions of the Agency with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of Borrower. The Borrower hereby represents and warrants for the benefit of the Agency as follows:

(a) The Borrower is a duly organized and validly existing Public Agency with full power to own its properties, conduct its affairs, enter into this Loan Agreement and consummate the transactions contemplated hereby.

(b) The negotiation, execution and delivery of this Loan Agreement and the consummation of the transactions contemplated hereby have all been duly authorized by requisite action of the Governing Body of the Borrower.

(c) This Loan Agreement and the Loan Note has been duly executed and delivered by the Borrower and are valid and binding obligations of the Borrower enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(d) There is no litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Borrower or its Governing Body to make payments under this Loan Agreement or to construct the Project, or to challenge in any manner the authority of the Borrower or its Governing Body to take any of the actions that have been taken in the authorization or delivery of this Loan Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Loan Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Borrower of this Loan Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Borrower, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Loan Agreement.

(e) The authorization and delivery of this Loan Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event that, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Borrower or its Governing Body.

(f) The Borrower shall deliver to the Agency a true, accurate and complete copy of the resolution or ordinance of the Governing Body of the Borrower approving and authorizing the execution and delivery of this Loan Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the Governing Body of the Borrower at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and the meeting at which the resolution or ordinance was duly enacted or adopted was held in full compliance with the statutory laws under which the Borrower operates.

(g) The Borrower has or is able to obtain the licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project, and to enter into this Loan Agreement; is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project; and has full right, power and authority to perform the acts and things as provided for in this Loan Agreement.

Section 2.3. Representations, Warranties and Covenants Concerning Permanent Financing. The Borrower represents, warrants and covenants as follows:

(a) The Borrower has (i) received all approvals of RD required in connection with the construction of the Project, and (ii) received a commitment for Permanent Financing of its Project with presently obligated funds.

The Borrower acknowledges and agrees that, in making this Loan, the Agency has relied upon the receipt of the Permanent Financing commitment from RD.

(b) The Borrower is not in breach of or in default under any of the provisions of the loan documents or any instruments, proceedings or other documentation authorizing the issuance of or securing the payment of the Permanent Financing (the “Permanent Financing Documents”).

(c) The execution and delivery of the Permanent Financing Documents and the compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Borrower a breach of or default under any contract, agreement, instrument, indenture or proceedings or any law, regulation, court order or consent decree to which the Borrower is now subject.

(d) The Permanent Financing Documents have been or shall be duly authorized, executed and delivered by the Borrower and will be valid and binding obligations of the Borrower.

(e) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to be pending or threatened against the Borrower in any way contesting or affecting any authority for the issuance of or the validity of the Permanent Financing or the Permanent Financing Documents or in any way adversely affecting the transactions contemplated thereby.

(f) The Borrower will comply in all respects with the terms and provisions of the Permanent Financing Documents.

(g) The Borrower will promptly remit, in accordance with the provisions of this Loan Agreement and the Permanent Financing Documents, each disbursement from its Borrower's Account to the person or persons to whom payment is then due and owing.

(h) The Borrower will not unilaterally terminate, or enter into any agreement to terminate, any of the Permanent Financing Documents and will give to the Agency and the Trustee prompt written notice, appropriately documented, of any material amendment to or modification of any of the Permanent Financing Documents.

ARTICLE III

AGENCY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. The Agency has determined that the Borrower's Project is a project eligible for Program financing.

Section 3.2. Loan Amount; Loan Payments and Prepayments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount. The Loan Amount shall be paid in full on or before the Maturity Date.

The Loan Amount, plus accrued interest, may be prepaid on the Prepayment Date upon no less than 15 days prior written notice to the Agency and the Trustee. The amount of the prepayment shall be subject to such prepayment terms as are set forth and described in the Term Sheet.

The Loan shall bear interest from the closing date of the Loan at the Interest Rate and shall accrue on the outstanding principal amount of the Loan. Interest on the Loan shall be payable on each Loan Payment Date. The principal of and unpaid interest on the Loan shall be payable on the Maturity Date or upon earlier prepayment. The Loan shall be evidenced by the execution by the Borrower of this Loan Agreement and delivery and assignment by the Agency thereof to the Trustee.

The Borrower hereby acknowledges itself indebted to and promises to pay to the order of the Agency the Loan Amount on or before the Maturity Date, with interest thereon payable on each Loan Payment Date accruing at the Interest Rate.

The proceeds of the Loan shall be deposited in a Borrower's Account established for the Borrower with the Trustee. The Agency shall cause the Trustee to disburse amounts for Project Costs from such Borrower's Account upon the submission by the Borrower of a Requisition for Funds in substantially the same form as Exhibit B hereto. Upon receipt of a properly submitted Requisition for Funds by no later than 12:00 pm prevailing Eastern Time on Tuesday of any week, the Trustee shall disburse the amounts so requested on the following Thursday. The Agency does not make any warranty, either express or implied, that the moneys that will be paid into the Borrower's Account, under the provisions of this Loan Agreement, will be sufficient to pay all of the cost of the Project.

Payment of principal of the Loan shall be made at the designated trust office of the Trustee on the Maturity Date, or upon the earlier Prepayment Date. In addition to the payment of principal of and interest on the Loan, the Borrower shall pay to the Agency all of the expenses and fees, including any share of investment earnings required to be rebated to the United States of America pursuant to the Code, arising from the making of the Loan by the Agency to the Borrower. The Borrower shall receive a credit against its payment of principal hereunder in an amount equal to (i) amounts remaining in its Borrower's Account on the date the Loan is paid in full and (ii) Investment Earnings, if any.

Section 3.4. Covenant Regarding Permanent Financing. The Borrower does hereby separately covenant that if for any reason RD fails to provide the Permanent Financing by accepting delivery thereof on or before the Maturity Date, the Borrower shall continue to pay interest on the Loan at the rate set forth in Section 3.2 from amounts in its Borrower's Account or its own funds, as determined by the Agency, and if RD has not purchased the Permanent Financing by the Maturity Date, the Borrower shall pay the Loan in full on such date. Such payment shall be affected from the proceeds of other temporary or Permanent Financing or other borrowing of whatever nature or from any other legally available funds of the Borrower.

The Borrower will give to the Agency and the Trustee prompt written notice, appropriately documented, of any modification, suspension, termination, annulment or other change in status of the RD commitment for Permanent Financing. In such event, the Agency shall provide express written instructions to the Trustee specifically detailing to the Trustee the manner in which the duties of the Trustee under the Indenture will change as a result of such modification, suspension, annulment or other change.

Section 3.5. Conversion to RD Multiple Advance Loan. This Loan Agreement may be assigned to RD in the event that the Agency Notes are required to be called for redemption, as described in the Indenture. In such event, the Agency or its designee will notify the Borrower that this Loan Agreement will be assigned to RD, and the effective date of such assignment, which notification shall be not less than 14 days prior to the assignment date. On or before such

assignment date, RD will cause the full amount of the Borrower's Loan Payment (as of such assignment date) to be wired to the Borrower's construction fund, and the Borrower agrees that it will immediately wire such funds to the Trustee, as directed by the Agency. On such assignment date, and without further action of the Borrower, the Agency or RD, the Agency shall be deemed to have assigned to RD, and RD shall be deemed to have assumed, the Agency's rights under this Loan Agreement. Thereafter, the Loan Agreement shall bear interest at the then-applicable RD multiple-advance rate in effect for the Borrower.

ARTICLE IV

ASSIGNMENT AND GENERAL COVENANTS OF BORROWER

Section 4.1. Repayment of Loan. The Borrower hereby agrees to pay the principal of, prepayment charges, if any, and interest on the Loan, as and when due. The obligations of the Borrower to repay the Loan and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Agency or the Trustee of any obligation to the Borrower, whether hereunder or otherwise, or as a result of the failure of the Borrower to complete the acquisition, construction, improving and equipping of the Project, the failure of RD to provide Permanent Financing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the Commonwealth or any political subdivision of either thereof or any failure of the Agency or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

Section 4.2. Security for Repayment of Loan. (a) The Loan shall be repaid from, and repayment of the Loan shall be secured by the proceeds of the Permanent Financing. In the event that Permanent Financing is not available on the Maturity Date or the Prepayment Date, as the case may be, or insufficient to repay the Loan in full, this Loan shall be payable from and be secured by a pledge of the revenues of the System, subject to the pledge thereof in favor of any prior lien bonds.

(b) The Borrower does hereby irrevocably assign and pledge to the Agency and its successors or assigns, for the benefit of the owners of its Agency Notes, all right, title and interest of the Borrower in and to the proceeds of the Permanent Financing and all monies to be received from RD, as applicable, pursuant to RD's expressed intention to provide Permanent Financing for the Project. The Borrower acknowledges and agrees that the Agency pursuant to the Indenture has assigned and pledged to the Trustee for the benefit and security of the owners of the Notes all of its rights under the provisions of this Loan Agreement. Accordingly, this Loan Agreement shall not be terminated, modified or changed by the Agency or the Borrower except with the prior consent of the Trustee in the manner and subject to the conditions permitted by the terms and provisions of the Indenture.

Section 4.3. Further Assurance. At any time and all times the Borrower shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Borrower may hereafter become bound to pledge or assign.

Section 4.4. Completion of Project. The Borrower hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Borrower so that the Permanent Financing can be delivered on or prior to the Maturity Date.

Section 4.5. Tax Covenant. The Borrower shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Agency in order to accomplish the foregoing. The Borrower shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the Project any system of which it is a part, or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Agency.

The Borrower covenants and agrees, from time to time, to pay any and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or actual Treasury Regulations, as may be applicable to the Loan. This covenant shall survive payment in full of the Loan but shall terminate upon notification by the Agency to the Borrower that no rebate is due and owing.

Section 4.6. Accounts and Reports. The Borrower shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Project, which shall at all reasonable times be subject to the inspection of the Agency.

Section 4.7. General. The Borrower shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Borrower under the provisions of any agreements regarding the Permanent Financing and this Loan Agreement in accordance with the terms of such provisions.

Section 4.8. Designation of Authorized Officers. The Borrower shall provide the Agency and the Trustee with a written certificate of its Authorized Officers who are designated to act on behalf of the Borrower for purposes of this Loan Agreement and for the Requisition for Funds.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.1. Events of Default Defined. The following will be “Events of Default” under this Loan Agreement and the term “Event of Default” or “Default” will mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any Loan Payments at the times specified herein.

(b) Failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Borrower by the Agency unless the Agency agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Agency will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure is corrected.

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding that will remain undismissed for sixty (60) days, or the entry by the Borrower into an agreement of composition with creditors or the failure generally by the Borrower to pay its debts as they become due.

Section 5.2. Remedies on Default. Whenever any Event of Default referred to in Section 6.1 has occurred and is continuing, the Agency may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) Declare all payments due hereunder, as set forth in the Schedule of Payments, to be immediately due and payable.

(b) Exercise all the rights and remedies of the Agency provided by law or equity.

(c) Take whatever action at law or in equity appear necessary or desirable to enforce its rights under this Loan Agreement.

Section 5.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of

the Agency under this Loan Agreement, the Agency shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Agency may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 5.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.5. Consent to Powers of Agency Under this Loan Agreement. The Borrower hereby acknowledges to the Agency its understanding of the provisions of this Loan Agreement, vesting in the Agency certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Borrower hereby covenants and agrees that if the Agency should in the future have recourse to said rights and powers, the Borrower shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Agency in the due and prompt implementation of this Loan Agreement.

Section 5.6. Non-Waivers by Agency. No failure by the Agency or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Loan Agreement or constitute a waiver of a then existing or subsequent breach.

Section 5.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto is in default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Approval not to be Unreasonably Withheld. Any approval of the Agency required by this Loan Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Agency, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Loan Agreement requiring the approval of the Agency or the satisfaction or the evidence of

satisfaction of the Agency shall be interpreted as requiring action by an Authorized Officer of the Agency granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 6.2. Effective Date. This Loan Agreement shall become effective as of the date first set forth herein above and shall continue to full force and effect until the date the obligations of the Borrower pursuant to the provisions of this Loan Agreement have been fully satisfied.

Section 6.3. Binding Effect. This Loan Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal Agency, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Loan Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 6.4. Severability. In the event that any provision of this Loan Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 6.5. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 6.6. Applicable Law. This Loan Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 6.7. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 6.8. Notices. Any notices required hereunder shall be delivered in the manner and to the addresses set forth in the Indenture; provided that the Borrower's address shall be that listed on the Term Sheet.

Section 6.9. Discharge of Borrower's Obligations under the Loan Agreement. If, prior to the Loan Payment Date, the Borrower (a) deposits sufficient funds with the Trustee to pay the principal of and interest due hereunder to such Loan Payment Date; and (b) informs the Agency and the Trustee of its intention to prepay its obligations hereunder on such Loan Payment Date; and if the Borrower shall also pay or cause to be paid all other sums payable hereunder by the Borrower with respect to this Loan Agreement, or make adequate provision therefor, then and in that case the indebtedness evidenced by this Loan Agreement shall be discharged and satisfied and all covenants, agreements and obligations of the Borrower hereunder shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

Section 6.10. No Liability of Agency's and Borrower's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Agency or the Borrower, either directly or through the Agency or the Borrower. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by the Borrower and the Agency against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Loan Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the day and year above written.

RURAL WATER FINANCING AGENCY

By: _____
Title _____

TOWN OF JEROME, ARIZONA,
as Borrower

By: _____
Title _____

EXHIBIT A
TERMS AND PROVISIONS

EXHIBIT B

**REQUEST FOR PAYMENT WITH RESPECT TO
RURAL WATER FINANCING AGENCY
(PUBLIC PROJECTS CONSTRUCTION FINANCING PROGRAM)**

Request No. _____

[Date]

To: Regions Bank
Corporate Trust Administration
150 Fourth Avenue North, Suite 1500
Nashville, Tennessee 37219
Fax Number: (615) 770-4350
Email: _____

From: Town of Jerome, Arizona (“Borrower”)
600 Clark Street
Jerome, Arizona 86331
Phone: (928) 634-7943
Email: b.klein@jerome.az.gov

Ladies and Gentlemen:

The above identified Borrower has entered into a Loan Agreement with the Rural Water Financing Agency (the “Agency”) for the acquisition and construction of facilities described in the Loan Agreement as the “Project.”

Pursuant to the Loan Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Agency’s funding share of these expenses is in the amount so denoted in this request totaling \$ _____ and as detailed and set forth in the Schedule attached hereto.

Respectfully submitted,

TOWN OF JEROME, ARIZONA

By _____

Title _____

Certificate of Consulting Engineers as to
Payment Request No. _____

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Borrower submitting this request and that all expenses represented in this request were duly incurred for the Construction of the "Project," and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

PACE

By: _____

Title: _____

APPROVED:

USDA, Rural Development

By: _____

Title: _____

EXHIBIT C

OPINION OF COUNSEL

[Letterhead of Counsel to Borrower]

Rural Water Financing Agency
Bowling Green, Kentucky

Regions Bank
Nashville, Tennessee

Loan Agreement by and between Rural Water Financing Agency
and Town of Jerome, Arizona dated as of October 22, 2024

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the State of Arizona (the "State") and is legal counsel to the Town of Jerome, Arizona (the "Borrower"). I am familiar with the organization and existence of the Borrower and the laws of the State applicable thereto. Additionally, I am familiar with the project (the "Project") with respect to which the Loan Agreement (the "Loan Agreement") by and between the Rural Water Financing Agency ("Agency") and the Borrower is being authorized, executed and delivered.

I have reviewed the form of Loan Agreement of the Borrower, the resolution of the Borrower authorizing the execution and delivery of said Loan Agreement and the plans, designs and specifications prepared by the Engineers for the Borrower with respect to the Project.

Based upon my review I am of the opinion that:

(1) The Borrower is a duly organized and existing political subdivision or body politic of the State validly existing under the Constitution and statutes of the State.

(2) The Loan Agreement has been duly executed and delivered by the Borrower and is a valid and binding obligation of the Borrower enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors rights or remedies generally.

(3) The Borrower has all necessary power and authority to enter into, perform and consummate all transactions contemplated by the Loan Agreement, and to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

(4) The execution and delivery of the Loan Agreement and the performance by the Borrower of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Borrower, or any of its properties or assets. The Borrower has obtained or is able to obtain such authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Borrower of the Loan Agreement.

(5) To the best of my knowledge after due inquiry, there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Borrower, (ii) the right or title of the members and officers of the Borrower to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Loan Agreement or the application of any monies or security therefor, (iv) the construction

of the Project, or (v) that would have a material adverse impact on the ability of the Borrower to perform its obligations under the Loan Agreement.

(6) None of the proceedings taken by the Borrower for the authorization, execution or delivery of the Loan Agreement has been repealed, rescinded, or revoked.

(7) All proceedings and actions of the Borrower with respect to which the Loan Agreement is to be delivered were taken at meetings properly convened and held in substantial compliance with the applicable provisions of the laws of the State.

Very truly yours,

EXHIBIT D

RD COMMITMENT LETTER

EXHIBIT E

TRUSTEE BANK FORMS



STANDING DISBURSEMENT INSTRUCTIONS

The Borrower: _____

With respect to the account(s) identified above, I hereby authorize Regions Bank to utilize the following disbursement instructions:

Bank Name: _____

Bank Address: _____

ABA Routing Number: _____

Account Name: _____

Account Number: _____

OR

Payee Name: _____

Payee Address: _____

These standing disbursement instructions are effective until notice is given in writing by the undersigned or any other Authorized Representative.

By: _____
Authorized Representative

Date: _____

***SUBMIT: FAX TO THE ATTENTION OF Daniel Olson AT 615-770-4350, OR
EMAIL AT DANIEL.OLSON@REGIONS.COM***

Town of Jerome, Arizona (the "Borrower")
INCUMBENCY CERTIFICATE FOR AUTHORIZED REPRESENTATIVE

The undersigned, Brett Klein being the
(name of person)

Town Manager/Clerk of the Town of Jerome, Arizona (the "Borrower")
(title)

does hereby certify that (1) the individuals listed below are qualified and acting officers of the Borrower, (2) the signature appearing opposite the name of each officer is a true specimen of the genuine signature of such officer, and (3) such individuals have the authority to provide written direction/confirmation and receive callbacks at the phone number(s) noted below and execute documents to be delivered to, or upon the request of Regions Bank. Regions Bank may rely conclusively upon the certification of the authority of the officers named in this Certificate in connection with all transactions to which the Issuer is a party with Regions Bank until such time as the Borrower (i) expressly revokes this Certificate in writing or (ii) provides a revised Certificate; in order to be effective, either must be delivered to Regions Bank at the addresses provided in the related governing documents.

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Phone Number for Callback</u>

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate as of _____.

Name: _____

Title: _____

(NOTE: THIS MAY NOT BE ONE OF THE OFFICERS LISTED ABOVE)

SUBMIT: FAX TO THE ATTENTION OF Daniel Olson AT 615-770-4350, OR EMAIL AT DANIEL.OLSON@REGIONS.COM