



PROMISSORY NOTE

Table with 8 columns: Principal (\$12,195.00), Loan Date (12-04-2020), Maturity (12-04-2022), Loan No (74140), Call / Coll (M / 1), Account (5900689), Officer (RW/SN), and Initials. Includes a note about references in boxes.

Borrower: MILBURN WATER DISTRICT
1861 CR 1129
ARLINGTON, KY 42021

Lender: CITIZENS DEPOSIT BANK OF ARLINGTON, INC
BARDWELL BRANCH
941 US HWY 62
P O BOX 609
BARDWELL, KY 42023
(270) 628-9199

Principal Amount: \$12,195.00 Initial Rate: 3.950% Date of Note: December 4, 2020
NOTE: "ORIGINAL IS NOT IN ELECTRONIC FORM".

PROMISE TO PAY. MILBURN WATER DISTRICT ("Borrower") promises to pay to CITIZENS DEPOSIT BANK OF ARLINGTON, INC ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twelve Thousand One Hundred Ninety-five & 00/100 Dollars (\$12,195.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 4, 2022. In addition, Borrower will pay regular annual payments of all accrued unpaid interest due as of each payment date, beginning December 4, 2021, with all subsequent interest payments to be due on the same day of each year after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest as shown on the most recent statement or bill provided to Borrower (if no statement or bill has been provided for any reason, it shall be applied to the unpaid interest accrued since the last payment); then to principal; then to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; and then to any late charges.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the LOW NEW YORK PRIME (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each TWELVE (12) MONTHS. Borrower understands that Lender may make loans based on other rates as well. The index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.700 percentage points over the Index (the "Margin"), adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 3.950% per annum. If Lender determines, in its sole discretion, that the index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. NOTICE: Under no circumstances will the interest rate on this Note be less than 3.950% per annum or more than the lesser of 24.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

RECEIPT OF PAYMENTS. All payments must be made in U.S. dollars and must be received by Lender at:

CITIZENS DEPOSIT BANK OF ARLINGTON, INC
BARDWELL BRANCH
941 US HWY 62
P O BOX 609
BARDWELL, KY 42023

All payments must be received by Lender consistent with any written payment instructions provided by Lender. If a payment is made consistent with Lender's payment instructions but received after 3:00 P.M. CENTRAL TIME on a business day, Lender will credit Borrower's payment on the next business day.

PREPAYMENT MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$10.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CITIZENS DEPOSIT BANK OF ARLINGTON, INC; BARDWELL BRANCH; 941 US HWY 62; P O BOX 609; BARDWELL, KY 42023.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged \$75.00.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or

PROMISSORY NOTE
(Continued)

Loan No: 74140

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disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of CARLISLE County, Commonwealth of Kentucky.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. All oral requests shall be confirmed in writing on the day of the request. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: MARK VADEN, Board Member of MILBURN WATER DISTRICT; JEFF CRIDER, Board Member of MILBURN WATER DISTRICT; and CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

PURPOSE. RLOC FOR BUSINESS OPERATING EXPENSES.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: CITIZENS DEPOSIT BANK P O BOX 10
1 Walnut Street ARLINGTON, KY 42021

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

APPLICABLE LENDING LAW. To the extent not preempted by federal law, this is a "most favored lender loan" being made under credit union rates.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

MILBURN WATER DISTRICT

By: MARK VADEN, Board Member of MILBURN WATER DISTRICT

By: JEFF CRIDER, Board Member of MILBURN WATER DISTRICT

By: CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT



DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,195.00	12-04-2020	12-04-2022	74140	M / 1	5900689	RW/SN	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: MILBURN WATER DISTRICT
1861 CR 1129
ARLINGTON, KY 42021

Lender: CITIZENS DEPOSIT BANK OF ARLINGTON, INC
BARDWELL BRANCH
941 US HWY 62
P O BOX 609
BARDWELL, KY 42023
(270) 628-9199

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$12,195.00 due on December 4, 2022.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: RLOC FOR BUSINESS OPERATING EXPENSES.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$12,195.00 as follows:

Amount paid to others on Borrower's behalf:	\$12,000.00
\$12,000.00 to MILBURN WATER DISTRICT	
Total Financed Prepaid Finance Charges:	\$195.00
\$195.00 Loan Documentation Fee	
Note Principal:	\$12,195.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED DECEMBER 4, 2020.

BORROWER:

MILBURN WATER DISTRICT

By: MARK VADEN, Board Member of MILBURN WATER DISTRICT

By: JEFF CRIDER, Board Member of MILBURN WATER DISTRICT

By: CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT



NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,195.00	12-04-2020	12-04-2022	74140	M / 1	5900689	RW/SN	

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BARDWELL BRANCH
941 US HWY 62
P O BOX 609
BARDWELL, KY 42023
(270) 628-9199

BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

As used in this Notice, the following terms have the following meanings:

Loan. The term "Loan" means the following described loan: a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$12,195.00 due on December 4, 2022.

Loan Agreement. The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

LOAN DOCUMENTS

- Governmental Certificate: MILBURN WATER DISTRICT
- Promissory Note
- Notice of Final Agreement
- Irrevocable Letter of Credit:
- Disbursement Request and Authorization
- Errors and Omissions Agreement: MILBURN WATER DISTRICT

Parties. The term "Parties" means: CITIZENS DEPOSIT BANK OF ARLINGTON, INC and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

Borrower: MILBURN WATER DISTRICT

Each Party who signs below, other than CITIZENS DEPOSIT BANK OF ARLINGTON, INC, acknowledges, represents, and warrants to CITIZENS DEPOSIT BANK OF ARLINGTON, INC that it has received, read and understood this Notice of Final Agreement. This Notice is dated December 4, 2020.

BORROWER:

MILBURN WATER DISTRICT

By: MARK VADEN, Board Member of MILBURN WATER DISTRICT

By: JEFF CRIDER, Board Member of MILBURN WATER DISTRICT

By: CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT

Loan No: 74140

NOTICE OF FINAL AGREEMENT
(Continued)

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LENDER:

CITIZENS DEPOSIT BANK OF ARLINGTON, INC

X _____
RICKY WILLIAMS, President

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NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
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941 US HWY 62
P O BOX 609
BARDWELL, KY 42023
(270) 628-9199

BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

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LOAN DOCUMENTS

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- Irrevocable Letter of Credit:
- Disbursement Request and Authorization
- Errors and Omissions Agreement: MILBURN WATER DISTRICT

Parties. The term "Parties" means CITIZENS DEPOSIT BANK OF ARLINGTON, INC and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

Borrower: MILBURN WATER DISTRICT

Each Party who signs below, other than CITIZENS DEPOSIT BANK OF ARLINGTON, INC, acknowledges, represents, and warrants to CITIZENS DEPOSIT BANK OF ARLINGTON, INC that it has received, read and understood this Notice of Final Agreement. This Notice is dated December 4, 2020.

BORROWER:

MILBURN WATER DISTRICT

By: MARK VADEN, Board Member of MILBURN WATER DISTRICT

By: JEFF CRIDER, Board Member of MILBURN WATER DISTRICT

By: CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT

Loan No: 74140

NOTICE OF FINAL AGREEMENT
(Continued)

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LENDER:

CITIZENS DEPOSIT BANK OF ARLINGTON, INC

X _____
RICKY WILLIAMS, President

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ERRORS AND OMISSIONS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,195.00	12-04-2020	12-04-2022	74140	M / 1	5900689	RW/SN	
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ARLINGTON, KY 42021

Lender: CITIZENS DEPOSIT BANK OF ARLINGTON, INC
BARDWELL BRANCH
941 US HWY 62
P O BOX 609
BARDWELL, KY 42023
(270) 628-9199

LOAN NO.: 74140

The undersigned Borrower for and in consideration of the above-referenced Lender funding the closing of this loan agrees, if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veterans Affairs.

The undersigned Borrower does hereby so agree and covenant in order to assure that this loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to said loan documentation.

DATED effective this December 4, 2020

BORROWER:

MILBURN WATER DISTRICT

By: MARK VADEN, Board Member of MILBURN WATER DISTRICT

By: JEFF CRIDER, Board Member of MILBURN WATER DISTRICT

By: CHRIS WILLIAMS, Board Member of MILBURN WATER DISTRICT