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Raleigh, NC 27608
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(N.C. Bar No. 6149)

October 9, 2023

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Mail Service Center 4325
Raleigh NC 27699-4300

RE: Submission of letter of credit in compliance with the Commission's Order of July 10, 2023 on behalf of Water Resources, Inc. in Docket No. W-1034, Sub 8 and Docket No. W-1034, Sub 10.

Dear Ms. Dunston:

Please accept for filing the attached Bond Form executed by Dennis Abbott on behalf of Water Resources Inc. on September 28, 2023. Also attached is the Irrevocable Letter of Credit dated October 6, 2023 issued by Western Alliance Bank in the amount of \$200,000. In decretal paragraph 1. of the Commission's July 10, 2023 Order Granting Public Staff's Motion Requiring Increase In Bond in the above captioned dockets the Commission required that Water Resources, Inc. shall supplement its current bond on file with the Commission with an appropriate new bond and surety in the amount of \$200,000 allocated to the Rocky River Plantation system, for a total bond amount posted by the Company of \$235,000, on or before October 9, 2023. The attached bond form and letter of credit are submitted in compliance with the July 10, 2023 Order. Please be advised that Western Alliance Bank shall independently submit the original of the Irrevocable Letter of Credit to the Commission.

Thank you for your attention to this matter.

Respectfully submitted,
/s/ Edward S. Finley, Jr.
Edward S. Finley, Jr.
Counsel for Water Resources, Inc.

cc. Parties of Record

NCUC DOCKET NOS. W-1034, SUB 8 AND W-1034, SUB 10

BOND

Water Resources Inc. of Cabarrus and Mecklenburg Counties, North Carolina, as Principal, is bound to the State of North Carolina for the sum of \$200,000 and for which payment to be made, the Principal by this bond binds itself and its successors and assigns.

THE CONDITION OF THIS BOND IS:

WHEREAS, the Principal is or intends to become a public utility subject to the laws of the State of North Carolina and the rules and regulations of the North Carolina Utilities Commission, relating to the operation of a water and/or sewer utility Water Resources Inc. for service to the Rocky River Plantation Subdivision in Cabarrus County and River Walk Subdivision in Mecklenburg County, North Carolina and,

WHEREAS, North Carolina General Statutes § 62-110.3 requires the holder of a franchise for water and/or sewer service to furnish a bond with sufficient surety, as approved by the Commission, conditioned as prescribed by G.S. § 62- 110.3 , and Commission Rules R7-37 and/ or R10-24, and

WHEREAS, the Principal has delivered to the Commission an Irrevocable Letter of Credit from Western Alliance Bank with an endorsement as required by the Commission, and,

WHEREAS, the appointment of an emergency operator, either by the Superior Court in accordance with G.S. § 62-118(b) or by the Commission with the consent of the owner, shall operate to forfeit this bond, and,

WHEREAS, if for any reason, the Irrevocable Letter of Credit is not to be renewed upon its expiration, the bank shall, at least 60 days prior to the expiration date of the Irrevocable Letter of Credit, provide written notification by means of certified mail, return receipt requested, to the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325, that the Irrevocable Letter of Credit will not be renewed beyond the then current maturity date for an additional, and,

WHEREAS, failure to renew the Irrevocable Letter of Credit shall, without the necessity of the Commission being required to hold a hearing or appoint an emergency operator, allow the Commission to convert the Irrevocable Letter of Credit to cash and deposit said cash proceeds with the administrator of the Commission's bond program, and

WHEREAS, such cash proceeds from the converted Irrevocable Letter of Credit shall be used to post a cash bond on behalf of the Principal pursuant to North Carolina Utilities Commission Rules R 7-37(e) and/or R10-24(e), and


WHEREAS, this bond shall become effective on the date executed by the Principal, and shall continue from year to year unless the obligations of the Principal under this bond are expressly released by the Commission in writing.

NOW THEREFORE, the Principal consents to the conditions of this bond and agrees to be bound by them.

This the 28th day of September, 2023

Water Resources Inc.
(Principal)

By: Dennis Abbott

A handwritten signature in black ink that reads "Dennis Abbott". The signature is written in a cursive style with a long, sweeping line extending from the end of the name.



Western Alliance
Bank™

Member FDIC

GLOBAL MARKETS GROUP
55 ALMADEN BOULEVARD
SAN JOSE, CA 95113
PHONE: 408.556.8397

OFFICIAL COPY

Oct 09 2023

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

DATE: OCTOBER 6, 2023

ISSUING BANK: WESTERN ALLIANCE BANK
55 ALMADEN BOULEVARD, SUITE 100
SAN JOSE, CA 95113

BENEFICIARY: NORTH CAROLINA UTILITIES COMMISSION
4325 MAIL SERVICE CENTER
RALEIGH, NC 27699-4325

APPLICANT: WATER RESOURCES, INC.
5970 FAIRVIEW ROAD, SUITE 710
CHARLOTTE, NC 28210

AMOUNT: USD 200,000.00

EXPIRATION DATE: OCTOBER 5, 2024

LOCATION: AT OUR COUNTER IN SAN JOSE, CALIFORNIA

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED] IN YOUR FAVOR (THE "BENEFICIARY"). THIS LETTER OF CREDIT IS AVAILABLE BY SIGHT PAYMENT WITH OURSELVES ONLY AGAINST PRESENTATION AT THIS OFFICE OF THE FOLLOWING DRAWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.
2. YOUR SIGHT DRAFT DRAWN ON US IN THE FORM ATTACHED HERETO AS EXHIBIT "A".
3. BENEFICIARY'S DATED AND SIGNED STATEMENT STATING THE FOLLOWING:

"THE UNDERSIGNED IS ENTITLED TO DRAW UPON THIS CREDIT IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN CONTRACT BY AND BETWEEN BENEFICIARY AND WATER RESOURCES, INC. (AS THE SAME MAY BE MODIFIED, AMENDED OR ASSIGNED)."

PARTIAL DRAWING AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY, MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY, PROVIDED; HOWEVER, THAT THE REMAINING AMOUNT AVAILABLE HEREUNDER SHALL BE REDUCED BY THE AMOUNT OF THE DRAWINGS.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

WESTERN ALLIANCE BANK. MEMBER FDIC.

*** THIS PAGE 1 FORMS AN INTEGRAL PART OF CREDIT [REDACTED] ***

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A ONE YEAR PERIOD STARTING FROM THE PRESENT EXPIRATION DATE HEREOF, OCTOBER 5, 2024 AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE HAVE SENT YOU A WRITTEN NOTICE BY COURIER SERVICE OR OVERNIGHT MAIL THAT WE ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED BEYOND ITS THEN CURRENT EXPIRATION DATE. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH DATE WILL BE HONORED.

THIS LETTER OF CREDIT MAY ALSO BE CANCELLED PRIOR TO ANY PRESENT OR FUTURE EXPIRATION DATE, UPON RECEIPT BY WESTERN ALLIANCE BANK BY OVERNIGHT COURIER OR REGISTERED MAIL (RETURN RECEIPT REQUESTED) OF THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY, FROM THE BENEFICIARY TOGETHER WITH BENEFICIARY'S SIGNED STATEMENT STATING THAT THE LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED FOR CANCELLATION.

DOCUMENTS MUST BE DELIVERED TO US DURING REGULAR BUSINESS HOURS OF A BANKING DAY OR FORWARDED TO US BY OVERNIGHT DELIVERY SERVICE TO: WESTERN ALLIANCE BANK, 55 ALMADEN BLVD., SUITE 100, SAN JOSE, CA 95113, U.S.A. ATTENTION: GLOBAL MARKETS GROUP – STANDBY LETTER OF CREDIT NEGOTIATION DEPARTMENT (THE "BANK'S" OFFICE).


AS USED HEREIN, THE TERM "BANKING DAY" MEANS A DAY ON WHICH WE ARE OPEN AT OUR ABOVE ADDRESS IN SAN JOSE, CALIFORNIA TO CONDUCT OUR LETTER OF CREDIT BUSINESS. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE ISP98 (AS HEREINAFTER DEFINED), IF THE EXPIRATION DATE OR THE TERMINAL EXPIRY DATE IS NOT A BANKING DAY THEN SUCH DATE SHALL BE AUTOMATICALLY EXTENDED TO THE NEXT SUCCEEDING DATE WHICH IS A BANKING DAY.

ALL BANKING CHARGES UNDER THIS LETTER OF CREDIT INCLUDING WIRE REMITTANCE FEE ARE FOR THE ACCOUNT OF THE APPLICANT.

WE HEREBY AGREE WITH YOU THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED BY WESTERN ALLIANCE BANK.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT WILL BE (I) SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ISP98 (INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590) OR ANY SUBSEQUENT REVISIONS THEREOF; AND (II) SUBJECT TO AND IN FULL COMPLIANCE WITH THE THEN EXISTING SANCTIONS REGULATIONS OF THE OFFICE OF FOREIGN ASSETS CONTROL, UNITED STATES DEPARTMENT OF TREASURY.

WESTERN ALLIANCE BANK



BRENDA PENROD
DIRECTOR, TRADE FINANCE OF THE GLOBAL MARKETS GROUP

WESTERN ALLIANCE BANK. MEMBER FDIC.

EXHIBIT "A"

SIGHT DRAFT/BILL OF EXCHANGE

DATE: _____ REF NO. _____

AT SIGHT OF THIS BILL OF EXCHANGE

PAY TO THE ORDER OF _____ US\$ _____

US DOLLARS _____

"DRAWN UNDER WESTERN ALLIANCE BANK, SAN JOSE, CALIFORNIA, IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [REDACTED] DATED: OCTOBER 6, 2023."

<p>TO: WESTERN ALLIANCE BANK GLOBAL MARKETS GROUP 55 ALMADEN BLVD SUITE 100 SAN JOSE, CA, 95113 U.S.A.</p>	<p>NORTH CAROLINA UTILITIES COMMISSION ("BENEFICIARY")</p> <p>_____</p> <p>AUTHORIZED SIGNATURE</p>
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GUIDELINES TO PREPARE THE SIGHT DRAFT OR BILL OF EXCHANGE:

- | | |
|-----------------------------|---|
| 1. DATE | ISSUANCE DATE OF DRAFT OR BILL OF EXCHANGE. |
| 2. REF NO | YOUR REFERENCE NUMBER, IF ANY. |
| 3. PAY TO THE ORDER OF: | NAME OF BENEFICIARY |
| 4. US\$ | AMOUNT OF DRAWING IN NUMERIC FIGURES |
| 5. US DOLLARS | AMOUNT OF DRAWING – IN WORDS. |
| 6. LETTER OF CREDIT NUMBER: | OUR STANDBY LETTER OF CREDIT NUMBER |
| 7. DATED: | ISSUANCE DATE OF STANDBY LETTER OF CREDIT |

NOTE: BENEFICIARY MUST ENDORSE THE BACK OF THE SIGHT DRAFT OR BILL OF EXCHANGE AS YOU WOULD ENDORSE A CHECK.

ORIGIN ID: RBKA (408) 556-8623
JAMIE MAI
BRIDGE BANK-SAN JOSE
55 ALMADEN BLVD SUITE 100
SAN JOSE, CA 95113
UNITED STATES US

SHIP DATE: 06OCT23
ACTWTGT: 0.50 LB
CAD: 112620456/INET/4640

BILL SENDER

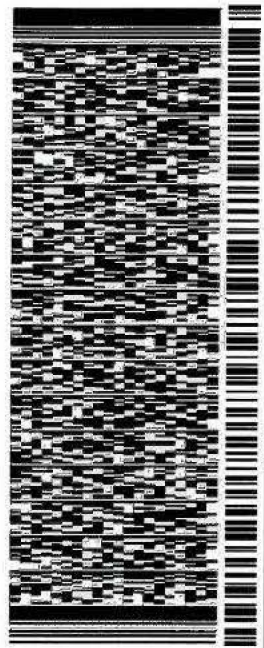
TO **JOANN SNYDER**
NORTH CAROLINA UTILITIES COMMISSION
4325 MAIL SERVICE CENTER

RALEIGH NC 27699

REF: SBL0001 - WATER RESOURCES

(919) 733-7683
INV:
PO:

DEPT:



J23123872181uv

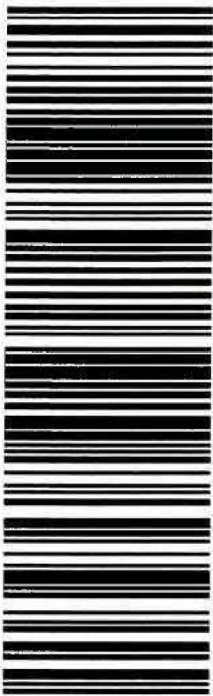
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TRK# 7736 6357 9470
0201

MON - 09 OCT 10:30A
PRIORITY OVERNIGHT

XG SOPA

27699
NC-US RDU



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2. Fold the printed page along the horizontal line.
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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Water Resources, Inc., Letter of Credit was duly served upon parties of record either by depositing same in a depository of the United States Postal Service, first class postage prepaid, or by electronic delivery.

This the 9th day of October, 2023

Edward S. Finley, Jr.,
/s/ Edward S. Finley, Jr.
Edward S. Finley, Jr., PLLC
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Raleigh, NC 27608
919-418-4516
edfinley98@aol.com

COUNSEL WATER RESOURCES, INC.