



March 8, 2006

Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243  
Attn: Ron Graham

05-00105

REC'D  
MAR 13 10:12:53  
T.R.A. DOCKET ROOM

Mr. Graham:

Enclosed please find an Irrevocable Letter of Credit for Shiloh Falls Utilities, Inc. in the amount of \$35,000. As you requested, I also enclosed 13 copies with the original. If you need anything further please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Adkisson", written over a large, stylized circular flourish.

Robert H. Adkisson  
Central Bank  
Executive VP

**LETTER OF CREDIT**

Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

REC'D  
MAR 13 11:52  
T.R.A. DOCKET ROOM

REFERENCE: Shiloh Falls Utilities Inc.

Company ID# 118709  
Irrevocable Letter of Credit #259921  
Effective Date: March 7, 2006

Sir:

You have requested of (Central Bank, hereinafter called the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of (Shiloh Falls Utilities Inc., hereinafter the "Company") who has applied to the Tennessee Regulatory Authority (the "Authority") for authority to provide public wastewater services in the state of Tennessee. The purpose of this letter of credit is to secure payment of any monetary obligation imposed against the Company, its representatives, successors or assigns, in any contested case proceeding brought under Tenn. Comp. R. & Regs. Chapter 1220-4-13 by or on behalf of the Authority.

We hereby establish and issue, in favor of the Authority, an irrevocable letter of credit in the amount of Thirty-Five Thousand Dollars (\$35,000.00) lawful money of the United States of America. Upon entry of an Order that finds a monetary obligation pursuant to Chapter 1220-4-13, the Authority may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below ("Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the Authority, to Lender at the address listed below, or to such other address as the Lender shall notify the Authority in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

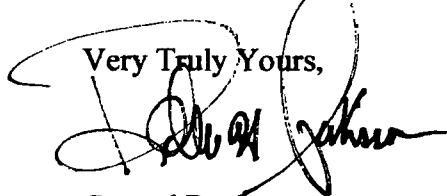
This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving thirty (30) days advanced written notice by certified mail of such cancellation to the Authority and the Company, it being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

Failure to renew this letter of credit shall allow the Authority to draw upon it without the necessity of the Authority being required to hold a hearing concerning the Principal's operation or Certificate of Public Convenience and Necessity. In such an event and upon a directive from the Authority, the Lender hereby covenants and agrees to deliver by wire transfer of immediately available funds the maximum sum of this letter of credit to the Bank Account to enable the continued operation of the public wastewater utility.

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "R. H. Adkisson", is written over the "Very Truly Yours," text.

Central Bank  
Robert H. Adkisson  
Executive Vice-President  
485 Wayne Road  
Savannah, Tennessee 38372

#### **APPROVAL AND ENDORSEMENT**

This is to certify that I have examined the foregoing letter of credit and found the same to be sufficient and in conformity to law and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Name:

Title: