

KING'S CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

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T.R.A. DOCKET ROOM

March 3, 2016

VIA ELECTRONIC DELIVERY

Mr. David Foster, Chief
Utilities Division
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37219

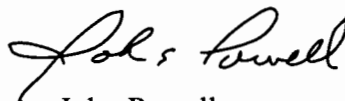
Re: Docket No. 14-00158 – Tariff Filing of Kings Chapel Capacity to true-up bonding costs.

Dear Mr. Foster:

Attached is a proposed tariff filing and support documentation that trues-up the Company's bonding cost from February 2009 through May 2015. These tariff pages have an effective date of April 1, 2016.

Thank you for your assistance in this matter.

Sincerely,



John Powell
President

Kings Chapel Capacity**True-Up of Bonding Cost - February 2009 Through May 2015**

Item	Amount
Williamson County Bond Requirement at May 2015	\$199,500
New Bond #1 Required by Williamson County effective December 16, 2015	70,000
New Bond #2 Required by Williamson County effective December 16, 2015	92,000
TRA Financial Security	86,000
Total Pro Forma Bond Requirement	\$447,500
Interest Rate adopted by TRA for KCC Bonding	7.95%
Current Bond Pass-Through Costs	\$35,576
Over-Recovered Bond Costs (February 2009 - May 2015)	18,208
Net Pro Forma Bond Surcharge	\$17,368
Projected Bills (152 Customers x 12)	1,818
Pro Forma Monthly Bonding Surcharge Rate	\$9.55
Current KCC Monthly Bonding Surcharge Rate	\$18.60
Monthly Bonding Surcharge Reduction	\$9.05

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Month	Bond #1	Bond #2	Bond #3	Bond #4	Bond #5	Bond #6	Bond #7	Bond #8	Bond #9	Bond #10	Bond #11	Bond Total	7.35% Interest Rate	Monthly Cost	Customers Billed	Cost Per Customer	Base Rate	Rate Difference	(Under)/Over Recovery	Cumulative Recovery
February 2009	\$151,642	\$11,500	\$6,533		\$8,213							\$177,888	14.142	1,179	54	21.82	\$18.60	\$3.22	\$174.11	\$174.11
March	151,642	11,500	6,533		8,213							177,888	14.142	1,179	54	21.82	18.60	3.22	174.11	-348.22
April	151,642	11,500	6,533		8,213							177,888	14.142	1,179	54	21.82	18.60	3.22	174.11	-522.33
May	151,642	11,500	6,533		8,213							177,888	14.142	1,179	55	21.43	18.60	-2.83	-155.51	-677.84
June	151,642	11,500	6,533		8,213							177,888	14.142	1,179	55	21.43	18.60	-2.83	-155.51	-833.35
July	151,642	11,500	6,533		8,213							177,888	14.142	1,179	55	21.43	18.60	2.83	-155.51	-988.86
August	151,642	11,500	6,533		8,213							177,888	14.142	1,179	56	21.04	18.60	-2.44	-136.91	-1,125.77
September	151,642	11,500	6,533		8,213							177,888	14.142	1,179	56	21.04	18.60	-2.44	-136.91	-1,262.68
October	151,642	11,500	6,533		8,213							177,888	14.142	1,179	57	20.68	18.60	-2.08	-118.31	-1,380.99
November	151,642	11,500	6,533		8,213							177,888	14.142	1,179	58	20.32	18.60	-1.72	-99.71	-1,480.70
December	151,642	11,500	6,533		8,213							177,888	14.142	1,179	58	20.32	18.60	-1.72	-99.71	-1,580.41
January 2010	151,642	11,500	6,533		8,213							177,888	14.142	1,179	59	19.97	18.60	-1.37	-81.11	-1,661.52
February	151,642	11,500	6,533		8,213							177,888	14.142	1,179	60	19.64	18.60	-1.04	-62.51	-1,724.03
March	151,642	11,500	6,533		8,213							177,888	14.142	1,179	61	19.32	18.60	-0.72	-43.91	-1,767.94
April	151,642	11,500	6,533		8,213							177,888	14.142	1,179	61	19.32	18.60	-0.72	-43.91	-1,811.85
May	151,642	11,500	6,533		8,213							177,888	14.142	1,179	61	19.32	18.60	0.72	-43.91	-1,855.76
June	151,642	11,500	6,533		8,213							177,888	14.142	1,179	62	19.01	18.60	0.41	-25.31	-1,881.07
July	151,642	11,500	6,533		8,213							177,888	14.142	1,179	64	18.41	18.60	0.19	-11.89	-1,869.18
August	151,642	11,500	6,533		8,213							177,888	14.142	1,179	65	18.13	18.60	0.47	-30.49	-1,838.69
September	151,642	11,500	6,533		8,213							177,888	14.142	1,179	66	17.86	18.60	0.74	-49.09	-1,789.60
October	151,642	11,500			8,213							171,355	13.623	1,135	66	17.20	18.60	1.40	-92.37	-1,697.23
November	151,642	11,500			8,213							171,355	13.623	1,135	67	16.94	18.60	1.66	-110.97	-1,586.26
December	151,642	11,500			8,213							171,355	13.623	1,135	68	16.69	18.60	1.91	-129.57	-1,456.69
January 2011	151,642	11,500			8,213							171,355	13.623	1,135	69	16.45	18.60	2.15	-148.17	-1,308.52
February	151,642	11,500			8,213							171,355	13.623	1,135	69	16.45	18.60	2.15	-148.17	-1,159.85
March	151,642	11,500			8,213							171,355	13.623	1,135	66	17.20	18.60	1.40	-92.37	-1,142.38
April	151,642	11,500			8,213							171,355	13.623	1,135	67	16.94	18.60	1.66	-110.97	-1,031.41
May	151,642	11,500			8,213							171,355	13.623	1,135	68	17.20	18.60	1.40	-92.37	-939.04
June	151,642	11,500			8,213							171,355	13.623	1,135	70	16.22	18.60	2.38	-166.77	-772.27
July	151,642	11,500			8,213							171,355	13.623	1,135	68	16.69	18.60	1.91	-129.57	-642.70
August	151,642	11,500			8,213							171,355	13.623	1,135	67	16.94	18.60	1.66	-110.97	-531.73
September	151,642	11,500			8,213							171,355	13.623	1,135	69	16.45	18.60	2.15	-148.17	-383.56
October	151,642	11,500			8,213							171,355	13.623	1,135	69	16.45	18.60	2.15	-148.17	-235.39
November	151,642	11,500			8,213							171,355	13.623	1,135	71	15.99	18.60	2.61	-185.37	-50.02
December	151,642	11,500			8,213							171,355	13.623	1,135	71	15.99	18.60	2.61	-185.37	135.35
January 2012	151,642	11,500		\$65,000	8,213							236,355	16.790	1,566	72	21.75	18.60	3.15	-226.65	91.30
February	151,642	11,500		65,000	8,213							236,355	16.790	1,566	71	22.05	18.60	3.45	-245.25	-336.55
March	151,642	11,500		65,000	8,213							236,355	16.790	1,566	70	22.37	18.60	-3.77	-263.85	-600.40
April	151,642	11,500		65,000	8,213							236,355	16.790	1,566	70	22.37	18.60	-3.77	-263.85	-864.25
May	151,642	11,500		65,000	8,213							236,355	16.790	1,566	70	22.37	18.60	-3.77	-263.85	-1,128.10
June	151,642	11,500		65,000	8,213							236,355	16.790	1,566	70	22.37	18.60	-3.77	-263.85	-1,391.95
July	151,642	11,500		65,000	8,213		\$40,000					276,355	21.970	1,931	72	25.43	18.60	-6.83	-481.65	-1,883.60
August	151,642	11,500		65,000	8,213		40,000					276,355	21.970	1,931	71	25.79	18.60	-7.19	-510.25	-2,393.85
September	151,642	11,500		65,000	8,213		40,000					276,355	21.970	1,931	71	25.79	18.60	-7.19	-510.25	-2,904.10
October	151,642	11,500		65,000	8,213		40,000					276,355	21.970	1,931	70	26.16	18.60	-7.56	-528.85	-3,432.95
November	151,642	11,500		65,000			40,000					268,142	21.317	1,776	71	25.02	18.60	-6.42	-455.84	-3,888.79
December	151,642	11,500		65,000			40,000					268,142	21.317	1,776	78	22.77	18.60	-4.17	-325.64	-4,214.43
January 2013	151,642	11,500		65,000			40,000					268,142	21.317	1,776	81	21.83	18.60	-3.33	-269.84	-4,484.27
February	151,642	11,500		65,000			40,000					268,142	21.317	1,776	82	21.68	18.60	-3.08	-251.24	-4,735.51
March	151,642	11,500		65,000			40,000					268,142	21.317	1,776	83	21.40	18.60	-2.80	-232.84	-4,968.15
April	151,642			65,000			40,000					256,642	20.403	1,700	85	20.00	18.60	-1.40	-119.25	-5,087.40
May	151,642			65,000			40,000					256,642	20.403	1,700	83	20.48	18.60	-1.88	-156.45	-5,243.85
June				65,000			40,000					105,000	8.348	696	84	8.28	18.60	10.32	866.78	-4,377.07
July				65,000			40,000					105,000	8.348	696	86	8.09	18.60	10.51	903.98	-3,473.09
August				65,000			40,000					105,000	8.348	696	86	8.09	18.60	10.51	903.98	-2,569.11
September				65,000			12,000					77,000	6.122	510	87	5.86	18.60	12.74	1,108.08	-1,481.03
October				65,000			12,000					77,000	6.122	510	87	5.86	18.60	12.74	1,108.08	-352.95
November				65,000			12,000					144,500	11.488	957	89	10.76	18.60	7.84	686.09	345.14
December				65,000			12,000					144,500	11.488	957	89	10.76	18.60	7.84	686.09	1,043.23
January 2014				65,000			12,000					144,500	11.488	957	89	10.76	18.60	7.84	686.09	1,741.32
February				65,000			12,000					144,500	11.488	957	90	10.64	18.60	7.96	716.69	2,458.01
March				65,000			12,000					144,500	11.488	957	90	10.64	18.60	7.96	716.69	3,174.70
April				19,500		\$17,500	12,000					116,500	9.262	772	92	8.39	18.60	10.21	939.39	4,114.09
May				19,500		17,500	12,000					116,500	9.262	772	99	7.80	18.60	10.80	1,069.59	5,183.68
June				19,500		17,500						117,000	9.302	775	99	7.83	18.60	10.77	1,066.28	6,249.96
July				19,500		17,500						117,000	9.302	775	102	7.60	18.60	11.00	1,122.08	7,372.04
August				19,500		17,500						117,000	9.302	775	103	7.53	18.60	11.07	1,140.68	8,512.72
September				19,500		17,500						117,000	9.302	775	103	7.53	18.60	11.07	1,140.68	9,653.40
October				19,500		17,500						117,000	9.302	775	115	6.74	18.60	11.86	1,363.88	11,017.28
November				19,500		17,500						199,500	15.880	1,322	115	11.49	18.6			

ATTACHMENT TRA4-1a

New Bond Transactions

And

Williamson County Bond
Confirmation

Rogers C. Anderson
Williamson County Mayor



Planning Department
Michael Matteson, Director

WILLIAMSON COUNTY GOVERNMENT

December 21, 2015

Ashby Communities
John Powell
PO BOX 190
Arrington TN 37014

Re: Wastewater Bonds for King's Chapel

Dear Mr. Powell,

As requested, these are the bonds that Williamson County have in effect for your property. These bond are from dates October 2014 to current for the King's Chapel project.

1/10/2017	Kings Chapel, Section 3A	\$19,500.00
4/15/2016	Kings Chapel, Section 3B	\$17,500.00
5/29/2016	Kings Chapel, Section 3C	\$12,500.00
10/28/2016	Kings Chapel, Section 4B	\$67,500.00
12/16/2016	Kings Chapel, Section 5	\$70,000.00
11/7/2016	Kings Chapel, Section 6	\$82,500.00
12/16/2016	Kings Chapel, Section 7	\$92,500.00

Please let me know if you need additional information.

Regards,

Debbie Smith
Administrative Office Manager
Williamson County Planning and Zoning



IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit Number: 9054480

*** REVISED ***

Amount: U.S. \$ 82,500.00 (eighty two thousand five hundred dollars and zero cents U.S. DOLLARS)

This Letter of Credit is issued on November 24, 2014 by Issuer in favor of the Beneficiary for the account of Applicant. The parties' names and their addresses are as follows:

APPLICANT:

ASHBY COMMUNITIES, LLC
Entity Type: Limited Liability Company
1165 MEADOW BRIDGE LANE
ARRINGTON, TN 37014-9109

BENEFICIARY:

WILLIAMSON COUNTY PLANNING COMMISSION
Entity Type: Corporation
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

ISSUER:

RELIANT BANK
1736 Carothers Parkway
Suite 100
Brentwood, TN 37027

1. LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one). Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under Reliant Bank Letter of Credit No. 9054480 dated November 24, 2014." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

2. DRAWINGS. Beneficiary shall be permitted to make multiple drawings on this Letter of Credit. The maximum number of drawings that may be made on this Letter of Credit is N/A. "Draft" means a draft drawn at sight.

3. DOCUMENTS. Each Draft must be accompanied by the following, in original and two copies except as stated:

A. The original Letter of Credit, together with any amendments.

B. A sight draft drawn by Beneficiary on Issuer.

C. A signed statement by Beneficiary including the following statement: Ashby Communities, LLC has failed to complete the Wastewater Collection System for the Kings Chapel Subdivision, Section 6 and/or has failed to obtain written authorizations to release from all affected agencies for the subdivision known as King's Chapel, Section 6 and that Williamson County Planning Commission is entitled to funds under the terms of the Letter of Credit.

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

4. SPECIAL INSTRUCTIONS. The term of this Letter of Credit is 12 months, but is automatically renewable. This Letter of Credit may be cancelled by the Issuer upon sixty (60) days' notice to the Beneficiary in accordance with the terms of this Letter of Credit

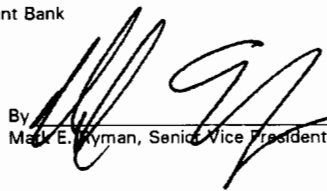
5. EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 04:30 PM Central Time (Time) on November 7, 2015 (Date). Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

6. NON-TRANSFERABLE. This Letter of Credit is not transferable.

7. APPLICABLE LAW. This Letter of Credit is governed by the International Standby Practices 1998 (ISP98). This Letter of Credit is also governed by the laws of Tennessee, except as those laws conflict with the International Standby Practices 1998 (ISP98).

ISSUER:

Reliant Bank

By  Mark E. Kyman, Senior Vice President

Date

11-24-14

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit Number: 9052687

Amount: U.S. \$ 12,500.00 (twelve thousand five hundred dollars and zero cents U.S. DOLLARS)

This Letter of Credit is issued on May 29, 2014 by Issuer in favor of the Beneficiary for the account of Applicant. The parties' names and their addresses are as follows:

APPLICANT:

ASHBY COMMUNITIES, LLC
Entity Type: Limited Liability Company
1165 MEADOW BRIDGE LANE
ARRINGTON, TN 37014-9109

BENEFICIARY:

WILLIAMSON COUNTY PLANNING COMMISSION
Entity Type: Corporation
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

ISSUER:

RELIANT BANK
1736 Carothers Parkway
Suite 100
Brentwood, TN 37027

1. LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one). Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under Reliant Bank Letter of Credit No. 9052687 dated May 29, 2014." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

2. DRAWINGS. Beneficiary shall be permitted to make multiple drawings on this Letter of Credit. The maximum number of drawings that may be made on this Letter of Credit is N/A. "Draft" means a draft drawn at sight.

3. DOCUMENTS. Each Draft must be accompanied by the following, in original and two copies except as stated:

A. The original Letter of Credit, together with any amendments.

B. A sight draft drawn by Beneficiary on Issuer.

C. A signed statement by Beneficiary including the following statement: Ashby Communities, LLC has failed to complete the Wastewater Collection System for the Kings Chapel Subdivision, Section 3C and/or has failed to obtain written authorizations to release from all affected agencies for the subdivision known as King's Chapel, Section 3C and that Williamson County Planning Commission is entitled to funds under the terms of the Letter of Credit.

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

4. SPECIAL INSTRUCTIONS. The term of this Letter of Credit is 12 months, but is automatically renewable. This Letter of Credit may be cancelled by the Issuer upon sixty (60) days' notice to the Beneficiary in accordance with the terms of this Letter of Credit.

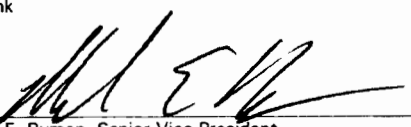
5. EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 04:30 PM Central Time (Time) on May 29, 2015 (Date). Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

6. NON-TRANSFERABLE. This Letter of Credit is not transferable.

7. APPLICABLE LAW. This Letter of Credit is governed by the International Standby Practices 1998 (ISP98). This Letter of Credit is also governed by the laws of Tennessee, except as those laws conflict with the International Standby Practices 1998 (ISP98).

ISSUER:

Reliant Bank

By 
Mark E. Ryman, Senior Vice President

Date 5-29-14

ATTACHMENT TRA4-1b

Support for New Bonds

Required by

Williamson County

IRREVOCABLE LETTER OF CREDIT

Borrower: ASHBY COMMUNITIES, LLC
P.O. BOX 190
ARRINGTON, TN 37014

Lender: Reliant Bank
Main Office
1736 Carothers Parkway, Suite 100
Brentwood, TN 37027

Beneficiary: WILLIAMSON COUNTY REGIONAL PLANNING COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

NO.: 90603604

EXPIRATION DATE. This letter of credit shall expire upon the close of business on 12-16-2016 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

AMOUNT OF CREDIT. ~~Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of Seventy Thousand & 00/100 Dollars (\$70,000.00) (the "Letter of Credit").~~ These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions: Beneficiary must present the original letter of credit, along with the following, to any Reliant Bank branch location: a certificate of default signed by the Secretary or other official of the Williamson County Regional Planning Commission certifying that: Ashby Communities, LLC has failed to complete the Wastewater Collection System and/or has failed to obtain written authorizations to release from all affected agencies for the subdivision known as King's Chapel, Section 5 and that Williamson County Planning Commission is entitled to funds under the terms of the Letter of Credit. Beneficiary also to provide the amount of approximate damage to the local government, which amount shall be identical to the face amount of the accompanying draft.

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER Reliant Bank IRREVOCABLE LETTER OF CREDIT NO. 90603604 DATED 12-16-2015," and the amount of each draft shall be marked on the draft. Only Beneficiary or Beneficiary's transferee may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are permitted under this Letter of Credit. Lender's honor of a partial draw shall correspondingly reduce the amount of credit available under this Letter of Credit. Following a partial draw, Lender shall return this original Letter of Credit to Beneficiary with the partial draw noted hereon; in the alternative, and in its sole discretion, Lender may issue a substitute Letter of Credit to Beneficiary in the amount shown above, less any partial draw(s).

PERMITTED TRANSFEREES. This Letter of Credit may be transferred by Beneficiary upon prior written notice to Lender of the transfer. The transferee shall be deemed the new Beneficiary of this Letter of Credit and the documents of the transferee, including drafts required under this Letter of Credit, will be processed by Lender (or any intermediary) without the original Beneficiary's intervention and without any further obligation of Lender to the original Beneficiary.

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee under the "Permitted Transferees" paragraph above (the "Permitted Transferee"), the documents required for a draw shall include all documents required elsewhere in this Letter of Credit, except that such documents may be in the name of and executed by either the original Beneficiary or the presenter permitted by the "Permitted Transferees" paragraph above.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of Tennessee.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

SPECIAL INSTRUCTIONS. The term of this letter of credit is 12 months, but is automatically renewable. This Letter of Credit may be cancelled by the Issuer upon sixty (60) days' notice to the Beneficiary in accordance with the terms of this Letter of Credit.

IRREVOCABLE LETTER OF CREDIT
(Continued)

Loan No: 9060304

Page 2

Dated: December 16, 2015

LENDER:

RELIANT BANK

By: 
Authorized Signer

ENDORSEMENT OF DRAFTS DRAWN:

Date	Negotiated By	Amount In Words	Amount In Figures
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IRREVOCABLE LETTER OF CREDIT

Borrower: ASHBY COMMUNITIES, LLC
P.O. BOX 190
ARRINGTON, TN 37014

Lender: Reliant Bank
Main Office
1736 Carothers Parkway, Suite 100
Brentwood, TN 37027

Beneficiary: WILLIAMSON COUNTY REGIONAL PLANNING COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

NO.: 9060322

EXPIRATION DATE. This letter of credit shall expire upon the close of business on 12-16-2016 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

AMOUNT OF CREDIT. ~~Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of~~ Ninety-two Thousand Five Hundred & 00/100 Dollars (\$92,500.00) ~~[the "Letter of Credit"]. These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.~~

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions: Beneficiary must present the original letter of credit, along with the following, to any Reliant Bank branch location: a certificate of default signed by the Secretary or other official of the Williamson County Regional Planning Commission certifying that: Ashby Communities, LLC has failed to complete the Wastewater Collection System and/or has failed to obtain written authorizations to release from all affected agencies for the subdivision known as King's Chapel, Section 7 and that Williamson County Planning Commission is entitled to funds under the terms of the Letter of Credit. Beneficiary also to provide the amount of approximate damage to the local government, which amount shall be identical to the face amount of the accompanying draft.

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER Reliant Bank IRREVOCABLE LETTER OF CREDIT NO. 9060322 DATED 12-16-2015," and the amount of each draft shall be marked on the draft. Only Beneficiary or Beneficiary's transferee may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are permitted under this Letter of Credit. Lender's honor of a partial draw shall correspondingly reduce the amount of credit available under this Letter of Credit. Following a partial draw, Lender shall return this original Letter of Credit to Beneficiary with the partial draw noted hereon; in the alternative, and in its sole discretion, Lender may issue a substitute Letter of Credit to Beneficiary in the amount shown above, less any partial draw(s).

PERMITTED TRANSFEREES. This Letter of Credit may be transferred by Beneficiary upon prior written notice to Lender of the transfer. The transferee shall be deemed the new Beneficiary of this Letter of Credit and the documents of the transferee, including drafts required under this Letter of Credit, will be processed by Lender (or any intermediary) without the original Beneficiary's intervention and without any further obligation of Lender to the original Beneficiary.

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee under the "Permitted Transferees" paragraph above (the "Permitted Transferee"), the documents required for a draw shall include all documents required elsewhere in this Letter of Credit, except that such documents may be in the name of and executed by either the original Beneficiary or the presenter permitted by the "Permitted Transferees" paragraph above.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of Tennessee.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

SPECIAL INSTRUCTIONS. The term of this Letter of Credit is 12 months, but is automatically renewable. This Letter of Credit may be cancelled by the Issuer upon sixty (60) days' notice to the Beneficiary in accordance with the terms of this Letter of Credit.

IRREVOCABLE LETTER OF CREDIT
(Continued)

Loan No: 9060322

Page 2

Dated: December 16, 2015

LENDER:

RELIANT BANK

By: 
Authorized Signer

ENDORSEMENT OF DRAFTS DRAWN:

Date	Negotiated By	Amount In Words	Amount In Figures
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ATTACHMENT TRA4-1c

Support for TRA Financial

Security Bond #1

TENNESSEE REGULATORY AUTHORITY
PUBLIC UTILITY SERVICE PROVIDER'S SURETY BOND

FILE COPY

Bond #: 1119014

WHEREAS, King's Chapel Capacity, LLC ("Principal") is a wastewater public utility and holds a Certificate of Public Convenience and Necessity ("CCN") granted by the Tennessee Regulatory Authority, an agency of the State of Tennessee, for the provision of wastewater utility services in Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 201(e), as amended, and Tenn. Comp. R. & Regs. Chapter 1220-4-13, the principal is required to file this bond to secure the payment of any monetary obligations under T.C.A. § 65-4-201(e) for the purpose of ensuring the proper operation and maintenance of the public utility or project; and

WHEREAS, Lexon Insurance Company ("Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in Tennessee pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 201 of the Tennessee Code Annotated and Tenn. Comp. R. & Regs. Chapter 1220-4-13;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 201(e) and Tenn. Comp. R. & Regs. Chapter 1220-4-13 in the full amount of lawful money of the United States of America to be used for the full and prompt payment of any monetary obligation imposed against the Principal, its representatives, successors or assigns, in any proceeding brought under T.C.A. §65-4-201(e) or Tenn. Comp. R. & Regs. Chapter 1220-4-13, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on March 14, 2016 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed **Eighty-Six Thousand - - - - -00/100 (\$86,000.00)**. The Surety may cancel this bond by giving sixty (60) days advance written notice of such cancellation to the Tennessee Regulatory Authority and the Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL:

King's Chapel Capacity, LLC

Name of Wastewater Public Utility
4980 Meadowbrook Blvd.
Arrington, TN 37014

Address of Principal

SIGNATURE OF PRINCIPAL

Name:
Title:

SURETY:

Lexon Insurance Company
10002 Shelbyville Road, Suite 100
Louisville, KY 40223

Address of Surety

SIGNATURE OF SURETY AGENT

Name: Deborah Neichter
Title: Attorney-in-Fact

Address of Surety Agent:
Smith Manus
2307 River Road, Suite 200
Louisville, KY 40206

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 201, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AND TENN. COMP. R. & REGS. CHAPTER 1220-4-13. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE

COUNTY OF _____

Before me, a Notary Public of the State and County aforesaid, personally appeared _____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of _____, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this _____ day of _____, 20____.

My Commission Expires:

_____, 20____

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF Kentucky

COUNTY OF Jefferson

Before me, a Notary Public of the State and County aforesaid, personally appeared **Deborah Neichter** with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of **Lexon Insurance Company** the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 3rd day of March, 2016.

My Commission Expires:

June 28, 2016

Barbara Duncan, Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20____.

Name:

Title:

POWER OF ATTORNEY

LX- 264092

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan, Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Lynnette Long, Amy Meredith, Deborah Neichter, Jessica Nowlin, Theresa Pickerrell, Sheryon Quinn, Bonnie J. Wortham, Beth Frymire its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$5,000,000.00, Five Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY

David E. Campbell
David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY

Amy Taylor
Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 14th Day of April, 2016.



BY

Andrew Smith
Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

ATTACHMENT TRA4-2

Proposed Tariff Sheets

King's Chapel Capacity
TRA #3
Wastewater Tariff

Second Revised Sheet #1
Replacing First Sheet #1
Effective Date: April 1, 2016

**King's Chapel Capacity
Wastewater Service Billing Summary**

System	Monthly Charge
Ashby Communities – Sheet 2	\$44.66

**King's Chapel Capacity
Ashby Communities Billing Rates**

	Monthly Charge	Escrowed Amount
Collection System Operation and Maintenance (Tariff Items 1 – 4)	\$8.95	\$6.35
Treatment System Cost (Tariff Items 5 – 7)	6.23	2.90
Utility Cost (Tariff Items 11 and 13)	1.30	0.00
Disposal System Cost (Tariff Items 15 – 17)	1.53	0.88
Sampling and Testing Cost (Tariff Item 18)	7.00	0.00
Billing and Collection Cost (Tariff Item 20)	1.50	0.00
Miscellaneous Cost (Tariff Items 21 – 30 excluding Bonding)	8.60	0.00
Bonding Cost (Pass Through) **	9.55	0.00
Total	\$44.66	\$10.13

Incidental Rates:

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00
Access	\$84.00

**** Bonding Cost incurred is passed through to the customer with no markup by the Company.**

Total Bonding Cost

Amount of Bond	\$447,500	
Interest Rate	<u>7.95%</u>	(1% Letter of Credit + 6.95% Debt Funding)
Bond Pass-Thru Cost	\$35,576	
Less Prior Recovered Cost	<u>18,208</u>	
Total Surcharge/(Refund)	\$17,368	
Projected Bills	<u>1,818</u>	(152 Customers * 12 Months)
Total	\$9.55	

King's Chapel Capacity
TRA #3
Wastewater Tariff

Second Revised Sheet #1
Replacing First Sheet #1
Effective Date: April 1, 2016

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Wastewater Service Billing Summary**

System	Monthly Charge	
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