

*Law Offices of*  
**MCMURRAY MONFORT & LUERSEN**  
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*An Association of Independent Attorneys*

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SCOTT D. McMURRAY  
ROBERT D. MONFORT  
JAMES J. LUERSEN

*Of Counsel:*  
HAROLD A. LUERSEN

September 26, 2006

Public Service Commission  
211 Sower Blvd.  
PO Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 27 2006

In Re: Case No. 2006-00166  
Proman Property Management/Brett Cade  
South Hills Subdivision Sewer Plant

PUBLIC SERVICE  
COMMISSION

Dear Correspondent,

Enclosed herewith please find pursuant to order of August 28<sup>th</sup>, 2006 an irrevocable letter of credit in the amount of \$10,000.00 for a period of ten years for Pro Man Property Management from Heritage Bank. The treatment plant transfer documents will follow in a timely manner as prescribed in the above referenced order.

Very truly yours,



JAMES J. LUERSEN

JJL/tln  
Enclosure



Date: August 1, 2006

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 367

BENEFICIARY: The Public Service Commission of Kentucky  
211 Sower Blvd., POB 614  
Frankfort, Kentucky 40620-0615  
Attn: Ms. Beth O'Donnell, Executive Director

ACCOUNT PARTY: Pro Man Property Management, LLC  
P.O. Box 613  
Alexandria, Kentucky 41001

AMOUNT: Ten Thousand and 00/100 Dollars  
(USD \$10,000.00)

EXPIRATION DATE: August 1, 2016

To Whom It May Concern:

By request and instruction of our customer, Pro Man Property Management, LLC, POB 613, Alexandria, Kentucky 41001, we hereby establish our Irrevocable Stand-By Letter of Credit No. 367 in your favor for the amount of Ten Thousand and 00/100 Dollars (USD \$10,000.00) available by your draft drawn at sight on us accompanied by the Original Letter of Credit and the following documents:

A sworn statement signed by an authorized signer certifying that if Pro Man Property Management, LLC does not operate the plant in Case #2006-00166, and funds are used by the State PSC or someone acting on its behalf to operate the wastewater treatment facility at South Hill Subdivision sewer plant, Campbell County, Kentucky.

Partial draws are permitted, the total partial draws cannot exceed the face amount of the Letter of Credit.

Drafts must be negotiated not later than August 1, 2016 or any extended expiration date that may be in effect at the counters of Heritage Bank, 1818 Florence Pike, Burlington, Kentucky 41005. All drafts drawn under this Letter of Credit shall state they are "drawn under Letter of Credit No. 367 dated August 1, 2006.

This letter of Credit cannot be assigned or transferred without the expressed written consent of Heritage Bank which consent shall not be unreasonably withheld, conditioned or delayed.

All banking charges and commissions, including reimbursement charges are for the account of the Applicant.

All documents must bear our Letter of Credit Number 367.

This Letter of Credit expires on August 1, 2016.

Except as stated herein, this undertaking is not subject to any conditions or qualifications except as stated above. The obligation of the bank under this Letter of Credit shall be the individual obligation of ourselves, and in no way is contingent upon the reimbursement with respect thereto.

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SEP 27 2006

PUBLIC SERVICE  
COMMISSION

**Burlington Office**

1818 Florence Pike  
P.O. Box 357  
Burlington, KY 41005  
859-586-9200  
FAX 859-586-9240

**Cold Spring Office**

4929 Alexandria Pike  
Cold Spring, KY 41076  
859-572-9207  
FAX 859-572-9217

**Erlanger Office**

456 Commonwealth Ave.  
Erlanger, KY 41018  
859-342-0920  
FAX 859-342-0925

**Florence Office**

7434 U.S. 42  
Florence, KY 41042  
859-371-2900  
FAX 859-282-4040

**Fort Wright Office**

1911 Dixie Highway  
Ft. Wright, KY 41011  
859-344-9205  
FAX 859-344-6599

**Hebron Office**

2101 Medical Arts Drive  
Hebron, KY 41048  
859-689-2900  
FAX 859-334-6962

**Union Office**

8751 U.S. 42  
Union, KY 41091  
859-384-5290  
FAX 859-384-5291

www.heritagebank-ky.com

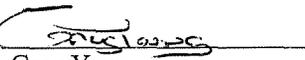
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Letter of Credit No. 367  
August 1, 2006

All documents presented to us in connection with any demand for payment hereunder, as well as all notices and other communications to us in respect of the Letter of Credit, will be in writing and addressed to Heritage Bank 1818 Florence Pike, Burlington, Kentucky 41005 and should make reference to this Letter of Credit by Number 367.

This Letter of Credit sets forth in full our undertaking and such undertaking will not in any way be modified, amended or amplified except by an amendment in writing.

Except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision), International Chamber of Commerce, Publication No. 500 ("Uniform Customs"). To the extent that such law are in conflict with the Uniform Customs, the Letter of Credit will be governed by the laws of The Commonwealth of Kentucky, including without limitation the Uniform Commercial Code as is in effect in such Commonwealth.

Very truly yours,  
Heritage Bank

By   
Greg Young  
Asst. Vice President