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PUBLIC SERVICE
COMMISSION

IRREVOCABLE LETTER OF CREDIT

To: Public Service Commission
211 Sower Blvd
Frankfort, KY 40602
(The Designated Beneficiary hereunder)

Letter of Credit No. 3(430982)

Amount: \$10,000.00

Expiration Date: 1/24/2016

By the
Order Of: Marshall County Environmental Services, LLC
1303 Pugh School Road
Benton, KY 42025
(The Account Party hereunder)

PSC
Case# 2012-00436

Date:

At the request of the Account Party, C-Plant Federal Credit Union (hereinafter the "Credit Union") hereby issues in favor of the Designated Beneficiary an Irrevocable Letter of Credit No. 3(430982) for the account of the Designated Beneficiary in an amount not to exceed the aggregate of Ten Thousand U.S. Dollars (\$10,000.00). To make a demand upon this letter of credit, the Designated Beneficiary must provide the Credit Union with the following documents on or before the stated Expiration Date:

- (a) A formal written demand, duly executed by the designated Beneficiary's duly authorized Representative, stating the amount drawn;
- (b) A written certification, duly executed by the designated Beneficiary's duly authorized Representative, who certifies that (i) the Account Party, has abandoned the sewage Treatment and collection facilities serving the Golden Acres and Great Oaks Subdivision, and (ii) a receivership action has been filed against the Account Party under KRS 278.021;" and
- (c) A certified copy of a legal pleading that evidences the receivership action.

All demands made under this Letter of Credit shall be presented to the Credit Union at its main office located at 2500 Lone Oak Road, Paducah, KY 42003. In the event that separate conforming demands are received by the Credit Union on the same date, such demands shall be honored by the Credit Union in the order they are received as determined by the Credit Union to the extent of the credit made available hereunder.

The Credit Union covenants to the designated Beneficiary that all demands and accompanying documents presented in strict conformity with the terms and conditions of this Letter of Credit will be duly honored, provided that such demand and documents are received by the Credit Union on or before the Expiration Date of this Letter of Credit. Each demand made under this Letter of Credit shall be subject to the Designated Beneficiary's warranty of its legal entitlement to the amounts stated in the demand.

In the event any demand made by the Designated Beneficiary does not strictly conform to the terms and conditions of this Letter of Credit, the Credit Union shall give the Designated Beneficiary written notice that the demand for payment was not affected in accordance with the terms and conditions of this

Letter of Credit. The Designated Beneficiary shall thereafter be accorded and opportunity to cure its deficient demand, provided the demand is received by the Credit Union prior to or on the Expiration Date.

This Letter of Credit states all of the terms of the Credit Union's undertaking hereunder, and such undertaking shall not in any way be modified, amended, or amplified by reference to any document referred to herein, or in which this Letter of Credit is referred to, or to which this Letter of Credit relates, and any such reference shall be deemed merged herein by reference.

This Letter of Credit shall be governed in accordance with the laws of the Commonwealth of Kentucky. Any legal action brought to enforce the provisions under this Letter of Credit shall be brought in a court of competent jurisdiction located in McCracken County, Kentucky. By accepting this Letter of Credit, the Designated Beneficiary hereby agrees to submit itself to the exclusive jurisdiction of such courts.

Sincerely,

C-Plant Federal Credit Union

By: Parula Cline

Title: Sr. Vice Pres.