


OLD NATIONAL

IRREVOCABLE STANDBY LETTER OF CREDIT

Applicant: Coolbrook Utilities, LLC
 1706 Bardstown Rd.
 Louisville, KY 40205

Beneficiary: Kentucky Public Service Commission
 211 Sower Blvd
 Frankfort, KY 40602

Issuance Date: October 31, 2008

Standby Letter of Credit No. 20002768624

Maximum Amount: US \$ 20,000.00 (Twenty Thousand United States Dollars)

Initial Expiry Date: October 31, 2009

RECEIVED

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**PUBLIC SERVICE
 COMMISSION**

At the request of Applicant, we hereby issue in favor of Beneficiary our Irrevocable Standby Letter of Credit which is available five (5) Business Days after presentation by Beneficiary of: (i) its fully completed and signed sight draft in the form of Exhibit A hereto, (ii) the original of this Irrevocable Standby Letter of Credit, and (iii) a fully completed and signed certificate in the form of Exhibit B hereto certifying, among other items:

That *Coolbrook Utilities, LLC* has defaulted in its obligation to Beneficiary under that certain [*Type of Agreement*] Agreement dated *October 31, 2008*.

(collectively, the "Required Documents").

This letter of Credit will be automatically renewed and extended, without amendment, for additional periods of one (1) year from the Initial Expiry Date and each Expiry Date thereafter (each an Expiry Date), unless we notify Beneficiary in writing by certified or registered mail at the address as set forth above, not later than sixty (60) days prior to each Expiry Date, that we elect not to renew this Letter of Credit for such additional one (1) year period ("Lender's Notice"). Upon Beneficiary's receipt of such Lenders' Notice, Beneficiary may, at any time prior to the next Expiry Date, draw on the Letter of Credit for the then available balance, by Beneficiary's submission to us of the Required Documents, including a fully completed and signed certificate in the form of Exhibit B hereto, which includes the following statement:

That Beneficiary has received Lender's notice that the Letter of Credit will not be renewed for an additional one (1) year period and the Beneficiary has not received a letter of credit or other instrument acceptable to Beneficiary as a replacement to this Letter of Credit.

You may present to us one demand for payment under this Letter of Credit prior to the Expiry Date in an amount not to exceed the Maximum Amount of the Letter of Credit then in effect.

Demand for payment may be made by you under this Letter of Credit prior to the Expiry Date at any time during our business hours at our Commercial Loan Documentation Department, Letter of Credit Section, 1 Main St., Evansville, IN 47708 on a day (herein called a "Business Day") on which we are open for the

purpose of conducting commercial banking business. If demand for payment is made by you hereunder prior to 12:00 p.m., Evansville, Indiana time, on a Business Day, and provided that such demand for payment and the Required Documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 4:00 p.m., Evansville, Indiana time, on the fifth Business Day thereafter, by wire transfer as indicated in your certificate presented to us in connection with such demand.

If demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the purported negotiation was not effected in accordance with the terms and conditions of this Letter of Credit stating the reasons therefor and that we are holding any documents at your disposal or are returning the same to you, as we may elect. Upon being notified that the purported negotiation was not effected in accordance with the Letter of Credit, you may attempt to correct any such nonconforming demand for payment if and to the extent that you are able to do so and provided that such full performance is accomplished on or before the Expiry Date.

Multiple drawings may not be made under the Letter of Credit.

This Letter of Credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement 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 not be deemed to incorporate herein by reference any document, instrument or agreement. This Letter of Credit cannot be modified without the consent of us and you.

This Letter of Credit is not assignable or transferrable without our prior written consent and may be drawn upon only by the Beneficiary or its permitted assignees or transferees.

This Letter of Credit is subject to International Standby Practices 1998 International Chamber of Commerce Publication No. 590 ("ISP 98"). This Letter of Credit shall be deemed to be a contract made under the law of the State of Indiana, and, as to those matters not governed by ISP 98, shall be governed by and construed in accordance with the law of the State of Indiana, without regard to principles of conflicts of law.

Very Truly Yours,

OLD NATIONAL BANK

By:  _____

Printed: Chris Niblock

Title: Assistant Financial Center Manager

Agreed to and Accepted by:

Coolbrook Utilities, LLC

By:  _____

Printed: Martin Glenn Cogan

Title: Member

EXHIBIT A

SIGHT DRAFT

Date: _____

Letter of Credit No.: _____

FOR VALUE RECEIVED

Pay at Sight to: _____ (Beneficiary)

U.S. _____ Dollars (U.S. \$ _____).

Charge to account of _____ (Applicant)

Drawn under Old National Bank Irrevocable
Standby Letter of Credit No. _____
dated _____, 20____ (the "Letter of Credit")

TO: Old National Bank
Commercial Loan Documentation Department
Letter of Credit Section
1 Main St.
Evansville, IN 47708

The sum drawn does not exceed the Maximum Amount available to be drawn thereunder as provided in the Letter of Credit.

Terms defined in the Letter of Credit have the same meaning as the terms when used herein.

(Beneficiary)

By: _____

Printed: _____

Title: _____

EXHIBIT B

_____, 20_____

TO: Old National Bank
Commercial Loan Documentation Department
Letter of Credit Section
1 Main St.
Evansville, IN 47708

Re: Irrevocable Standby Letter of Credit No. _____

Ladies and Gentlemen:

The undersigned is the beneficiary (the "Beneficiary") of the Irrevocable Standby Letter of Credit No. _____ dated _____, 20_____ (the "Letter of Credit") issued by you for the account of _____ (the "Applicant").

The undersigned hereby certifies as follows:

1. Check One:

___ That [*Applicant Name*] has defaulted in its obligations to Beneficiary under that certain [*Type of Agreement*] Agreement dated [*Date*].

-or-

___ That Beneficiary has received Lender's written notice that this Letter of Credit will not be renewed for an additional one (1) year period and the Beneficiary has not received a letter of credit or other instrument acceptable to Beneficiary as a replacement to this Letter of Credit.

2. The amount demanded hereunder does not exceed the Maximum Amount available to be drawn thereunder as presently provided in the Letter of Credit.

3. The undersigned is an authorized representative of the Beneficiary.

Please wire transfer the amounts paid hereunder to the undersigned as follows:

Terms defined in the Letter of Credit have the same meanings when used herein.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed by its duly authorized officer this _____ day of _____, 20_____.

Sincerely,

(Beneficiary)

By: _____

Printed: _____

Title: _____