

(BANK LETTERHEAD PAPER)

IRREVOCABLE LETTER OF CREDIT NUMBER: _____

NAME AND ADDRESS OF ISSUER: _____

DATE OF ISSUANCE: _____

UTILITY CUSTOMER NAME AND ADDRESS:
("APPLICANT") _____

NAME AND ADDRESS OF BENEFICIARY: CITY OF ROLLA, MISSOURI, BY AND
THROUGH ROLLA MUNICIPAL UTILITIES
P.O. BOX 767
ROLLA, MISSOURI 65402

At the request and for the account of APPLICANT, we, the above-identified and undersigned ISSUER, sign, send, and thereby issue our **Irrevocable Letter of Credit Number** _____ ("ILOC") in favor of the above-identified BENEFICIARY, **City of Rolla, By and Through Rolla Municipal Utilities**.

The maximum amount available under the Letter of Credit is _____ and NO/100 DOLLARS (\$_____.00) ("Maximum Available Credit").

FOR INFORMATION ONLY: This ILOC is issued with respect to the APPLICANT'S compliance with the ordinances and policies of BENEFICIARY requiring the making and maintenance of a deposit equivalent to two month's estimated billing as a precondition to the provision of utility services.

This ILOC shall not be revocable by ISSUER.

This ILOC shall be effective upon, from and after the DATE OF ISSUANCE and shall terminate on the earliest to occur of: (i) when BENEFICIARY has drawn and ISSUER has paid to BENEFICIARY the Maximum Available Credit; or (ii) the expiration of five (5) years from the DATE OF ISSUANCE; or (iii) upon the termination of utility service from BENEFICIARY to APPLICANT where any and all obligations of the APPLICANT to BENEFICIARY have been satisfied in full. Any such occurrence shall be known and referred to herein as the "Date of Termination". Notwithstanding any occurrence of termination, ISSUER'S payment obligation shall survive such Date of Termination with respect to any Sight Draft presented to ISSUER by BENEFICIARY which is otherwise in conformance with this ILOC.

ISSUER authorizes BENEFICIARY to draw upon this ILOC from time to time by BENEFICIARY'S drafts at sight ("Sight Draft") drawn on ISSUER and accompanied by: (i) this ILOC (which shall be returned to BENEFICIARY unaltered except in the event that such draw results in payment of the Maximum Available Credit, or upon the event of termination); and (ii) a Sight Draft demand in the written form as provided on Exhibit A attached hereto, incorporated and made a part hereof by reference.

The draft(s) drawn under this ILOC must be drawn and presented to ISSUER at the address shown above (or such other address designated in writing by ISSUER to BENEFICIARY) and such draft(s) shall be delivered by hand delivery or by delivery by courier between 9:00 a.m. and 4:30 p.m. (Rolla, Missouri, time) on a Business Day (as defined below). As used in this ILOC, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of Missouri are authorized or required by law to close.

Multiple drawings may be presented under this ILOC, which, in the aggregate and subject to the limitations set forth herein, shall not exceed the Maximum Available Credit then in effect. Upon payment of the amount specified in a Sight Draft drawn hereunder, the Maximum Available Credit of the ILOC shall be reduced by the amount of the payment.

ISSUER hereby agrees that all drafts drawn under and in compliance with the terms of this ILOC will be duly honored by ISSUER upon delivery of the instruments specified above and if presented at the address provided in this ILOC (or such other address designated in writing by ISSUER to BENEFICIARY) on or before the Date of Termination (as above defined).

If demand for payment is made hereunder in conformity with the terms and conditions of this ILOC before 11:00 a.m. (Rolla, Missouri time) on any Business Day, payment of the amount demanded shall be made in immediately available funds not later than 1:00 p.m. (Rolla, Missouri time) on the third next succeeding Business Day. If so elected by BENEFICIARY, any such payment under this ILOC shall be made by wire transfer of immediately available funds per BENEFICIARY'S instructions.

If demand for payment does not conform to the terms and conditions of this ILOC, ISSUER shall promptly notify BENEFICIARY, in writing, and provide to BENEFICIARY in such writing a detailed explanation of any such discrepancies between the demand and the terms and conditions of this ILOC, and/or the reasons, in similar detail, for any dishonor. Such written notice shall be promptly confirmed in writing to BENEFICIARY not later than the third next succeeding Business Day (as above defined) following presentment of such demand, by hand delivery or by delivery by courier between 9:00 a.m. and 4:30 p.m. (Rolla, Missouri, time) on a Business Day (as above defined), and, in such event, ISSUER shall hold all documents at BENEFICIARY'S disposal or return the same to BENEFICIARY, if directed by BENEFICIARY.

If ISSUER wishes to cancel or reduce the Maximum Available Credit of this ILOC (or any such then existing amount in the event of reduction(s) by prior draws), it may do so only upon the expiration of sixty (60) days immediately following written notice of such intent delivered to BENEFICIARY by hand delivery or by delivery by courier between 9:00 a.m. and 4:30 p.m. (Rolla, Missouri, time) on a Business Day (as above defined). Any such notice to cancel or reduce the Maximum Available Credit, and prior to the expiration of said sixty (60) day notice period, shall in no way prohibit BENEFICIARY from making demand for all or part of the then existing Maximum Available Credit in a form and manner as otherwise specified in this ILOC and BENEFICIARY shall be so permitted to make such demand notwithstanding the delivery of any such notice to cancel or reduce the Maximum Available Credit. In the event of demand by BENEFICIARY during said sixty (60) day notice period, ISSUER shall be required to honor such conforming demand unless notice of discrepancy or dishonor is given pursuant to the provisions of this ILOC. In the event it is determined that such demand was in conformance with this ILOC, but payment was not made by ISSUER, ISSUER'S obligation to make payment to BENEFICIARY shall survive any attempted cancellation or reduction of the Maximum Available Credit.

This ILOC shall be governed by and construed under the applicable law of the State of Missouri relative to Letters of Credit.

Because the subject matter of this ILOC relates to securing payment of charges for utility services provided within the County of Phelps, State of Missouri, any legal action or proceeding concerning this ILOC, the respective rights of the ISSUER and BENEFICIARY, the enforcement of the provisions of this ILOC, or any such legal action or proceeding to remedy a breach of the terms and provisions of this ILOC, shall be filed, instituted and prosecuted in the Circuit Court of Phelps County, Missouri. For the same reasons, with the issuance of this ILOC, ISSUER freely and voluntarily consent(s) to the jurisdiction of the State of Missouri for purposes of personal jurisdiction in the event that any such legal action is necessary.

Issued on and as of the Date of Issuance shown above by:

By:

Title:

EXHIBIT 1

to

Irrevocable Letter of Credit Number _____

**(Issued by _____ in favor of
City of Rolla, By and Through Rolla Municipal Utilities)**

Date: _____

IRREVOCABLE LETTER OF CREDIT NUMBER: _____

NAME AND ADDRESS OF ISSUER: _____

DATE OF ISSUANCE: _____

UTILITY CUSTOMER NAME AND ADDRESS:
("APPLICANT") _____

NAME AND ADDRESS OF BENEFICIARY:

CITY OF ROLLA, MISSOURI, BY AND
THROUGH ROLLA MUNICIPAL UTILITIES
P.O. BOX 767
ROLLA, MISSOURI 65402

The above-identified and undersigned Beneficiary demands payment of _____
and ___/100 Dollars (\$ _____) in immediately available funds under the above-described
Irrevocable Letter of Credit.

Beneficiary states that the above-identified Applicant is obligated to pay the amount demanded.

Beneficiary further states that the proceeds from this demand under the above-described
Irrevocable Letter of Credit will be used to satisfy the Applicant's obligations to the Beneficiary.

This demand and statement are made as of the date shown above.

City of Rolla, By and Through Rolla Municipal Utilities

By: _____

Title: _____

Being an Authorized Representative of Beneficiary