

LETTER OF CREDIT

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that _____, designated as "principal," is held and firmly bound unto the Public Service Commission of South Carolina, designated as "obligee," in the penal sum of _____ Thousand Dollars, for the payment of which well and truly to be made, the principal binds itself, its successors and assigns, firmly by these presents.

WHEREAS, in accordance with the provisions of S.C. Code Ann. 58-5-720 (1976 as amended), the principal has delivered to the Commission a Letter of Credit, with such statement as required by the Commission, of a federal or state chartered bank, or of a savings and loan association which maintains an office in this State and whose accounts are insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and

WHEREAS, the obligee has granted the principal a certificate of public convenience and necessity and approved a schedule of rates for water service and/or sewer service in areas shown on operating area maps filed with the obligee, and

WHEREAS, this bond and the Letter of Credit, when approved by the obligee, conditioned as in said 58-5-720, are to cover any and all liability, which may arise as a result of the principal failing to provide adequate and sufficient service within its service area as prescribed in 58-5-720, and

WHEREAS, the obligee, upon notice and hearing, shall have the right to declare all or any part of the bond and the Letter of Credit forfeited upon a determination by the obligee that the principal shall have willfully failed to provide such service as prescribed above, without just cause or excuse, and that such failure has continued for an unreasonable length of time, and

WHEREAS, the liability under the terms of this bond and the Letter of Credit are hereby extended so as to include any fines or penalties imposed or assessed by the obligee against the principal under the provisions of S.C. Code Ann. 58-5-710 (1976 as amended) and

WHEREAS, in the event that any judicial action or proceedings are initiated with respect to this bond or the Letter of Credit, the parties hereby agree that the venue thereof shall be Richland County, State of South Carolina, and

WHEREAS, this bond shall become effective on the date executed by the principal, and shall continue from year to year unless the obligations of the principal under this bond is expressly released by the obligee in writing, and

WHEREAS, the Letter of Credit shall be renewed immediately upon its expiration date, if any, and

WHEREAS, the obligee upon notice and opportunity to the principal to be heard, may order that the face amount of this bond to be changed within the limits set forth in S.C. Code Ann. 58-5-720 (1976).

NOW THEREFORE, in testimony whereof, said principal has hereunto subscribed his name this _____ day of _____ 20_____.

IN THE PRESENCE OF:

COMPANY

BY

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF SOUTH CAROLINA

COUNTY OF _____

On _____, 20____, _____ came before me personally, to me known, and who being by me duly sworn, did depose and state; that he is the of _____, the Corporation which executed the foregoing instrument; that he knows the seal of said Corporation, that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that he signed his name to said instrument by like order.

SWORN to before me this

_____ day of _____, 20____

_____(L.S.)

Notary Public

My Commission Expires:

(Affix seal if not South Carolina Notary Public)