



FIRST NATIONAL BANK OF FORT SMITH

602 Garrison, Fort Smith, Arkansas 72901 479 782-2041

CHARLES B. COOK
Senior Vice President

August 23, 2012

Mr. Steven L. Drown
Chief, Water Division
ADEQ
5301 Northshore Drive
North Little Rock AR 72118

Re: Permit Number 4908-WR-1; AFIN 04-01681

Dear Mr. Drown:

Enclosed you will find First Asset Holdings, LLC's Letter of Credit concerning the above referenced matter.

If you have any questions, please feel free to call.

Sincerely,

Charles B. Cook
Senior Vice President

CBC/tlo



FIRST NATIONAL BANK OF FORT SMITH

602 Garrison, Fort Smith, Arkansas 72901 479 782-2041

James C. Fourmy, Jr.
Senior Vice President

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No: 2118

Amount: U.S. \$74,850.00 (seventy four thousand eight hundred fifty dollars and zero cents U.S. DOLLARS)

This Letter of Credit is issued on August 22, 2012 by Issuer in favor of the Beneficiary for the account of Applicant. The parties' names and their addresses are as follows:

APPLICANT:

First Asset Holdings LLC
P. O. Box 7
Fort Smith, AR 72902

BENEFICIARY:

Arkansas - Department of Environmental Quality (ADEQ)
5301 N. Shore Drive
North Little Rock, AR 72118

ISSUER:

The First National Bank of Fort Smith
602 Garrison Avenue
P. O. Box 7
Fort Smith, AR 72902

1. **LETTER OF CREDIT.** Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one). Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under The First National Bank of Fort Smith Letter of Credit No. 2118 dated August 22, 2012." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

2. **DRAWINGS.** Beneficiary shall be permitted to make multiple drawings on this Letter of Credit. The maximum number of drawings that may be made on this Letter of Credit is 5. "Draft" means a draft drawn at sight.

3. **DOCUMENTS.** Each Draft must be accompanied by the following, in original and two copies except as stated:

- A. The original Letter of Credit, together with any amendments.
- B. A sight draft drawn by Beneficiary on Issuer.

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

4. SPECIAL INSTRUCTIONS. Requests for draws on this Letter of Credit must be accompanied by the original Letter of Credit and by a written statement on behalf of the beneficiary stating that the applicant is in breach of the contractual agreement between the beneficiary and applicant and the amount required to be drawn on subject letter of credit, not to exceed the face amount of said letter of credit.

The purpose of this Letter of Credit is for the five year estimated operating and maintenance cost on Horsebend Estates sewage treatment system.

5. EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 4:00 PM Central Time (Time) on August 22, 2013 and is automatically renewable for one year periods with a final expiration of August 22, 2017. Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

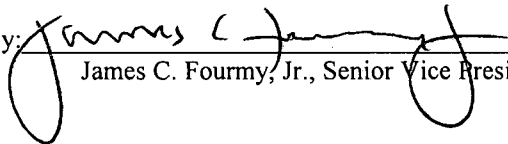
6. NON-TRANSFERABLE. This Letter of Credit is not transferable.

7. APPLICABLE LAW. This Letter of Credit is governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later versions or amendment. This Letter of Credit is also governed by the laws of Arkansas, except as those laws conflict with the UCP.

ISSUER:

The First National Bank of Fort Smith

By:


James C. Fourmy, Jr., Senior Vice President

