

Edgar Filing: RGC RESOURCES INC - Form 8-K

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Effective September 9, 2005, Diversified Energy Company, a subsidiary of RGC Resources, Inc., entered into a Promissory Note in the principal amount of \$3,000,000 in favor of Wachovia Bank, National Association ("Wachovia") for the purpose of providing working-capital financing for operations. Monthly payments of accrued interest are due under the Promissory Note until March 31, 2006, when all outstanding principal and interest is due. The Promissory Note is in addition to the notes issued for RGC Resources, Inc., Roanoke Gas Company and Bluefield Gas Company on March 29, 2005.

In addition, effective September 9, 2005, RGC Resources, Inc., executed an Unconditional Guaranty in favor of Wachovia unconditionally guaranteeing timely payment and performance of the Promissory Note.

Total available limits under all line-of-credit arrangements with Wachovia will be as follows:

Beginning -----	Available Line of Credit -----
Sep 9, 2005	\$ 19,000,000
Sep 16, 2005	28,000,000
Nov 16, 2005	29,000,000
Feb 16, 2006	25,000,000

ITEM 9.01. FINANCIAL STATEMENT AND EXHIBITS.

Exhibit No.	Description of Documents
10.1	Promissory Note in the original principal amount of \$3,000,000 by Diversified Energy Company in favor of Wachovia Bank, National Association, effective September 9, 2005.
10.2	Unconditional Guaranty by RGC Resources, Inc. in favor of Wachovia Bank, National Association, effective September 9, 2005.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RGC RESOURCES, INC.

Date: September 9, 2005

By: s/Howard T. Lyon

Howard T. Lyon
Vice-President, Treasurer and Controller
(Principal Financial Officer)