

SECOND SUPPLEMENTAL TRUST INDENTURE

among

WALTON COUNTY WATER AND SEWERAGE AUTHORITY

and

REGIONS BANK
as Trustee

Dated as of July 1, 2015

Relating to

Walton County Water and Sewerage Authority
Refunding Revenue Bonds
(Oconee – Hard Labor Creek Reservoir Project),
Series 2015

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	3
Section 1.1. Definitions.....	3
ARTICLE II THE SERIES 2015 BONDS.....	4
Section 2.1. Designation of Series 2015 Bonds.....	4
Section 2.2. Terms of Series 2015 Bonds.....	4
Section 2.3. Form of Series 2015 Bonds.....	5
Section 2.4. Book-Entry System.	6
ARTICLE III REDEMPTION OF SERIES 2015 BONDS BEFORE MATURITY	9
Section 3.1. Optional Redemption of Series 2015 Bonds.....	9
Section 3.2. Mandatory Sinking Fund Redemption.....	9
Section 3.3. Effect of Redemption Call	10
Section 3.4. Partial Redemptions	10
Section 3.5. Redemption Need Not Be Pro Rata	10
Section 3.6. Notice of Redemption	10
Section 3.7. Cancellation and Destruction of Series 2015 Bonds.....	11
Section 3.8. Conditions to Delivery of Series 2015 Bonds	11
ARTICLE IV SOURCE AND APPLICATION OF FUNDS; REFUNDING OF REFUNDED BONDS; 2015 SINKING FUND ACCOUNT; COSTS OF ISSUANCE FUND	12
Section 4.1. Application of Proceeds of Series 2015 Bonds.....	12
Section 4.2. Refunding of Refunded Bonds.....	12
Section 4.3. Lien on Escrow Funds	12
Section 4.4. Termination of Rights.....	12
Section 4.5. 2015 Sinking Fund Account	12
Section 4.6. Nonpresentation of Series 2015 Bonds.....	13
Section 4.7. Payments Pursuant to the Intergovernmental Contract.....	13
Section 4.8. Costs of Issuance Fund	14
Section 4.9. Requisition Procedure.....	14
ARTICLE V DEBT SERVICE RESERVE FUND.....	15
ARTICLE VI MISCELLANEOUS	16
Section 6.1. Original Indenture, First Supplemental Indenture and Second Supplemental Indenture as One Document.....	16
Section 6.2. References.....	16
Section 6.3. Counterparts.....	16
Section 6.4. Captions	16
Section 6.5. Governing Law	16

Section 6.6. Effective Date and Term.....16

EXHIBIT A – Form of Series 2015 Bond

SECOND SUPPLEMENTAL TRUST INDENTURE

This SECOND SUPPLEMENTAL TRUST INDENTURE, dated as of July 1, 2015 (the “Second Supplemental Indenture”), by and between WALTON COUNTY WATER AND SEWERAGE AUTHORITY (the “Authority”) and REGIONS BANK, Atlanta, Georgia (the “Trustee”), a state banking association, as trustee;

WITNESSETH:

WHEREAS, the Authority and the Trustee have heretofore entered into a Trust Indenture, dated as of April 1, 2008 (the “Original Indenture”), as supplemented by a First Supplemental Trust Indenture, dated April 1, 2008 (the “First Supplemental Indenture”) and as supplemented and amended hereby, collectively, the “Indenture”), which provides for the issuance thereunder of Obligations and provides that the Trustee shall enter into an indenture supplemental to the Original Indenture in connection therewith; and

WHEREAS, pursuant to the terms provided in the Original Indenture and the First Supplemental Indenture, the Authority has previously issued its Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2008, in the aggregate principal amount of \$19,535,000 (the “Series 2008 Bonds”), for the purpose of (i) financing or refinancing a portion of the cost of the acquisition, construction, and equipping of a new reservoir and related treatment, pumping and other facilities and other related facilities, including piping (the “Reservoir Project”); (ii) paying capitalized interest on the Series 2008 Bonds, and (iii) paying all or a portion of the costs of issuance of the Series 2008 Bonds, including the bond insurance premium on a municipal bond insurance policy; and

WHEREAS, the Authority, in order to achieve interest cost savings, proposes to issue its Refunding Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2015, in the aggregate principal amount of \$8,425,000 (the “Series 2015 Bonds”), for the purpose of providing funds to (i) refund a portion of the Authority’s Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2008 (the “Series 2008 Bonds”), maturing on February 1, 2028, in the aggregate principal amount of \$1,120,000 and subject to sinking fund redemption on February 1 in the years 2027 (in part) and 2028, and maturing on February 1, 2038, in the aggregate principal amount of \$7,020,000 and subject to mandatory sinking fund redemption on February 1 in the years 2029 through 2035, inclusive (the “Refunded Bonds”) and (ii) pay the costs of issuing the Series 2015 Bonds; and

WHEREAS, all acts and things necessary to make the Series 2015 Bonds, when authenticated and issued as provided in the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture, the valid, binding and legal obligations of the Authority, and to constitute the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture as valid, binding and legal instruments for the security of the Series 2015 Bonds have been done and performed, and the creation, execution and delivery of this Second Supplemental Indenture and the creation, execution and delivery of the Series 2015 Bonds, subject to the terms of the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture have in all respects been duly authorized;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL MASTER INDENTURE WITNESSETH:

That in order to secure the payment of the principal of and interest on the Series 2015 Bonds, the performance of all of the covenants and conditions contained in the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture, the Series 2015 Bonds and for the purpose, among others, of further securing the performance and observance of all of the covenants and conditions contained in the Original Indenture, the Authority for and in consideration of the premises and of the purchase and acceptance by the owners thereof of the Series 2015 Bonds and of the sum of \$1.00 duly paid by the Trustee to the Authority and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, have executed and delivered this Second Supplemental Indenture, and the Authority and the Trustee DO HEREBY COVENANT AND AGREE with each other and with the registered owners from time to time of the Series 2015 Bonds as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms and words used in this Second Supplemental Indenture and not otherwise defined herein shall have the meanings set forth or incorporated in Section 1.1 of the Original Indenture, unless the context or use clearly indicates another or different meaning or intent. In addition, the following terms and words have the following meanings for the purposes of this Second Supplemental Indenture:

“DTC” shall mean The Depository Trust Company, or any successor or assignee thereof.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement, dated as of July 29, 2015, by and between the Authority and Regions Bank, Atlanta, Georgia, as escrow agent.

“First Supplemental Indenture” shall mean the First Supplemental Indenture, dated as of April 1, 2008, between the Authority and the Trustee.

“Interest Payment Date” shall mean, as to the Series 2015 Bonds, each February 1 and August 1, commencing February 1, 2016.

“Maturity Date” shall mean February 1, 2035.

“Original Indenture” shall mean the Trust Indenture, dated as of April 1, 2008, between the Authority and the Trustee.

“Paying Agent” means Regions Bank, Atlanta, Georgia, or any successor thereto or assignee thereof.

“Principal Office of the Trustee” shall be Attention: Corporate Trust Department, 1180 W. Peachtree Street, Suite 1200, Atlanta, Georgia 30309, or such other office of the Trustee so designated by written notice to the Authority.

“Prior Bonds” means the Authority’s Revenue Bonds (Oconee Hard Labor Creek Reservoir Project), Series 2008, maturing in the years 2016 through 2023, inclusive, and a portion of the Series 2008 Bonds, maturing in 2028 in the aggregate principal amount of \$480,000 and subject to sinking fund redemption on February 1 in the year 2027 (in part) and a portion of the Series 2008 Bonds maturing 2038 in the aggregate principal amount of \$3,825,000 and subject to sinking fund redemption on February 1 in the years 2036 through 2038, inclusive.

“Record Date” shall mean the 15th day (whether or not a Business Day) of the calendar month next preceding any Interest Payment Date, redemption date or maturity date as to the Series 2015 Bonds.

“Second Supplemental Indenture” shall mean this Second Supplemental Indenture, dated as of July 1, 2015 between the Authority and the Trustee.

“2015 Sinking Fund Account” shall mean the account in the Sinking Fund created in Section 4.5 hereof.

ARTICLE II

THE SERIES 2015 BONDS

Section 2.1. Designation of Series 2015 Bonds. There is hereby authorized to be issued under the Original Indenture, as supplemented by the First Supplemental Indenture and this Second Supplemental Indenture, a series of bonds which shall be designated as the “Walton County Water and Sewerage Authority Refunding Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2015,” in the aggregate principal amount of \$8,425,000.

The Series 2015 Bonds are limited obligations of the Authority as provided in the Original Indenture.

Section 2.2. Terms of Series 2015 Bonds. The Series 2015 Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Each of the Series 2015 Bonds shall be lettered and numbered from R-1 upwards in order of issuance according to the records maintained by the Trustee and may have such other legends or identifying marks as the Trustee or the Authority deems advisable. The Series 2015 Bonds shall bear the date of authentication. Every Series 2015 Bond issued in exchange for or upon registration of transfer of a Series 2015 Bond as originally issued shall bear its date of authentication.

The principal and interest and redemption premium (if any) on the Series 2015 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts. The principal of and redemption premium (if any) on the Series 2015 Bonds are payable only upon presentation and surrender thereof at the Principal Office of the Trustee. The Series 2015 Bonds shall bear interest (computed on the basis of a 360-day year comprised of twelve 30-day months), payable on each Interest Payment Date, commencing February 1, 2016, from the Interest Payment Date next preceding the date of authentication of such Series 2015 Bond to which interest has been paid or provided for, unless the date of authentication of such Series 2015 Bond is an Interest Payment Date to which interest has been paid or provided for, then from the date of authentication thereof, or unless no interest has been paid on such Series 2015 Bond, in which case from the date of issuance of the Series 2015 Bonds; provided that if the authentication date for a Series 2015 Bond shall be after any Record Date and before the next succeeding Interest Payment Date, then interest shall be paid on such Series 2015 Bonds from the interest payment date next succeeding the authentication date.

Interest on each Series 2015 Bond shall be payable on each Interest Payment Date by check or draft mailed by first class mail on the date on which due to the person in whose name such Series 2015 Bond is registered on the registration books of the Authority maintained by the Trustee at the close of business on the Record Date, except that any interest not so timely paid or

duly provided for shall cease to be payable to the person who is the registered owner of such Series 2015 Bond (or one or more predecessor Series 2015 Bonds) as of the Record Date, and shall be payable to the person who is the registered owner of such Series 2015 Bond (or of one or more predecessor Series 2015 Bonds) at the close of business on a special record date for the payment of such defaulted interest. Such special record date shall be fixed by the Trustee whenever moneys become available for the payment of such defaulted interest, and notice of the special record date shall be given by first class mail by the Trustee or by or on behalf of the Authority to the registered owner thereof not less than 15 days prior thereto. Such interest shall be mailed to the registered owner at his or her address as shown on the bond register maintained by the Trustee on the Record Date. In the event that any owner of Series 2015 Bonds, in an aggregate principal amount of at least \$1,000,000, shall provide the Trustee on or prior to any Record Date with written wire transfer instructions, the interest on subsequent Interest Payment Dates shall be paid in accordance with such instructions, or to such securities depository, as the case may be, until the Trustee receives written notice to the contrary.

Notwithstanding the foregoing, as long as the Series 2015 Bonds are in book-entry form and registered in the name of a depository or its nominee, principal and interest shall be payable in accordance with Section 2.4 hereof.

The Series 2015 Bonds shall mature on February 1 in each of the years and in the principal amounts set forth below and shall bear interest at the respective rate of interest per annum as follows:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate per annum</u>
2016	\$10,000	2.000%
2017	25,000	3.000
2018	25,000	3.000
2026	210,000	2.375
2027	330,000	4.000
2028	850,000	4.000
2029	880,000	4.000
2030	920,000	4.000
2031	955,000	4.000
2032	995,000	4.000
2033	1,035,000	4.000
2034	1,075,000	4.000
2035	1,115,000	4.000

Section 2.3. Form of Series 2015 Bonds. The Series 2015 Bonds, the certificate of authentication, the form of assignment and the certificate of validation to be endorsed upon the Series 2015 Bonds, shall be substantially in the form attached hereto as Exhibit "A", with such variations, omissions and insertions as are required to distinguish between the Series 2015 Bonds or otherwise as are required or permitted by this Second Supplemental Indenture or the Original Indenture.

Section 2.4. Book-Entry System.

(a) The Authority hereby provides that Series 2015 Bonds may be issued in book-entry form. Notwithstanding any inconsistent provision in this Indenture to the contrary, the provisions of this Section 2.4 shall govern at any time that the Series 2015 Bonds are issued in book-entry form.

(b) Series 2015 Bonds issued in book-entry form shall be issued in the form of one fully-registered immobilized certificate for each maturity of Series 2015 Bonds outstanding which certificates, taken together, will represent the total aggregate principal amount of the Series 2015 Bonds, which Series 2015 Bonds (except as provided in paragraph (i) below) shall be registered in the name of Cede & Co., as nominee of DTC; provided, that if DTC shall request that the Series 2015 Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Series 2015 Bonds for an equal aggregate principal amount of Series 2015 Bonds registered in the name of such other nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Authority, the Trustee or the Paying Agent a Series 2015 Bond or any other evidence of ownership of the Series 2015 Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2015 Bonds on the Series 2015 Bond registration books to be maintained by the Trustee, in connection with discontinuing the book-entry system as provided in paragraph (i) below or otherwise.

(c) So long as the Series 2015 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal of, prepayment premium, if any, or interest on such Series 2015 Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments under this Indenture and at such times as provided in the Letter of Representation to be entered into among the Authority, the Trustee and DTC or in a blanket letter of representation executed by the Authority and delivered to DTC (the "Representation Letter"). Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Authority, the Trustee, or the Paying Agent with respect to the principal of, prepayment premium, if any, or interest on the Series 2015 Bonds to the extent of the sum or sums so paid. In the event of the prepayment of less than all of the Series 2015 Bonds Outstanding of any maturity, the Trustee shall not require surrender by DTC or its nominee of the Series 2015 Bonds so redeemed, but DTC or its nominee may retain such Series 2015 Bonds and make an appropriate notation thereon as to the amount of such partial redemption; provided, that DTC shall deliver to the Trustee, upon request, a written confirmation of such partial prepayment and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Series 2015 Bonds of such maturity which have been prepaid.

(d) All transfers of beneficial ownership interests in, exchanges and selection of Series 2015 Bonds to be redeemed of such Series 2015 Bonds issued in book-entry form shall be effected by procedures by DTC with its participants for recording and transferring the ownership of beneficial interests in each such series of Series 2015 Bonds.

(e) The Authority, the Trustee and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Owner of the Series 2015 Bonds registered in its name for the purposes of payment of the principal of, prepayment premium, if any, or interest on the Series 2015 Bonds, selecting the Series 2015 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners under this Indenture, registering the transfer of Series 2015 Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever; and the Authority, the Trustee and the Paying Agent shall not be affected by any notice to the contrary. The Authority, the Trustee and the Paying Agent shall not have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Series 2015 Bonds under or through DTC or any such participant, or any other person which is not shown on the Series 2015 Bond registration books as being an Owner, with respect to: (i) the Series 2015 Bonds, or (ii) the accuracy of any records maintained by DTC or any such participant; or (iii) the payment by DTC or any such participant of any amount in respect of the principal, redemption price of or interest on the Series 2015 Bonds; or (iv) any notice which is permitted or required to be given to Owners under this Indenture; or (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2015 Bonds; or (vi) any consent given or other action taken by DTC as Owner.

(f) So long as the Series 2015 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Owners under this Indenture shall be given to DTC as provided in the Representation Letter to be delivered to DTC, in form and content satisfactory to DTC, the Authority and the Trustee.

(g) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Authority, the Trustee or the Paying Agent with respect to any consent or other action to be taken by Owners, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the Authority, the Trustee or the Paying Agent shall give DTC notice of any special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(h) Any successor Trustee, in its written acceptance of its duties under this Indenture, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

(i) The book-entry system for registration of the ownership of the Series 2015 Bonds in book-entry form may be discontinued at any time if: (i) after notice to the Authority, the Trustee and the Paying Agent, DTC determines to resign as securities depository for the Series 2015 Bonds; or (ii) after notice to DTC, the Trustee and the Paying Agent, the Authority determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Authority; or (iii) after notice to the Authority, the Trustee and the Paying Agent, DTC determines that the current system of book-entry transfers through DTC does not permit DTC to act as a securities depository for the Series 2015 Bonds. In each of such events (unless, in the cases described in clause (i) or (iii) above, the Authority appoints a successor securities depository), the Series 2015 Bonds shall be

delivered in registered certificate form to such persons, and by Series in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Authority, the Trustee or the Paying Agent for the accuracy of such designation. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2015 Bonds.

(j) The Authority hereafter may amend this Indenture or enter into one or more amendments or supplements hereto without notice to or consent of the Owners of any of the Series 2015 Bonds in order (i) to offer to the beneficial owners of the Series 2015 Bonds the option of receiving any Series 2015 Bonds in certificated form or (ii) to require the execution and delivery of certificated Series 2015 Bonds representing a portion or all of the Series 2015 Bonds, (A) if DTC shall cease to serve as depository and no successor depository can be found to serve upon terms satisfactory to the Authority, or (B) if the Authority determines that it would be in their best interest or in the best interests of the beneficial owners of the Series 2015 Bonds that they obtain certificated Series 2015 Bonds; provided, that any such amendment or supplement is in form reasonably satisfactory to the Trustee.

ARTICLE III

REDEMPTION OF SERIES 2015 BONDS BEFORE MATURITY

Section 3.1. Optional Redemption of Series 2015 Bonds. The Series 2015 Bonds maturing on or after February 1, 2026 are redeemable at the option of the Authority, in whole or in part at any time and in any order of maturity, not earlier than August 1, 2025, from any moneys available therefor, at a redemption price of 100% of principal amount of such bonds, plus accrued interest to the redemption date.

In order to exercise such optional redemption, the Authority shall give the Trustee notice of such redemption specifying (i) the maturity date of the Series 2015 Bonds to be redeemed and the principal amount of each such maturity to be redeemed, (ii) the redemption price to be paid as provided in the paragraph above, and (iii) the date of such redemption. Such notice shall be provided to the Trustee at least 15 days prior to date that the Trustee is required to provide notice of such redemption to the owners of the Series 2015 Bonds to be redeemed unless the Trustee shall waive such notice.

Section 3.2. Mandatory Sinking Fund Redemption. The Series 2015 Bonds maturing on February 1, 2026, are subject to mandatory sinking fund redemption on February 1, 2019 and on each February 1 thereafter, in accordance with the table below, at a redemption price equal to the principal amount of each Series 2015 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed for redemption, in the following principal amounts and on the dates set forth below (the February 1, 2026 amount to be paid rather than redeemed):

<u>February 1 of the Year</u>	<u>Principal Amount to be redeemed</u>
2019	\$25,000
2020	25,000
2021	25,000
2022	25,000
2023	25,000
2024	25,000
2025	30,000
2026	30,000

At its option, to be exercised on or before the 45th day next preceding any sinking fund redemption date, the Authority may (a) deliver to the Trustee for cancellation Series 2015 Bonds of the appropriate maturity in any aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Series 2015 Bonds of the appropriate maturity which prior to said date have been redeemed (otherwise than through the operation of this Section) and cancelled by the Trustee and not theretofore applied as a credit against any prior mandatory sinking fund redemption obligation. Each Series 2015 Bond so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Authority on such sinking fund redemption date and any excess shall be credited on future sinking fund redemption obligations in such order as may be specified by the

Authority, and the principal amount of such Series 2015 Bonds to be redeemed by operation of the sinking fund shall be accordingly reduced.

Section 3.3. Effect of Redemption Call. Prior to any redemption date, the Authority shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Series 2015 Bonds or portion of the Series 2015 Bonds which are to be redeemed on that date. Notice having been given in the manner and under the conditions herein provided, and moneys for the payment of the redemption price being held by the Paying Agent, all as provided in the Indenture, the Series 2015 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2015 Bonds on such date, interest on the Series 2015 Bonds so called for redemption shall cease to accrue, such Series 2015 Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and the owners of such Series 2015 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Upon surrender for any partial redemption of any Series 2015 Bond, there shall be delivered to the registered owner, a new Series 2015 Bond or Series 2015 Bonds of the same maturity, series and interest rate in the amount of unpaid principal. All Series 2015 Bonds which have been redeemed shall be cancelled by the Bond Registrar pursuant to Section 3.8 of the First Supplemental Indenture.

Section 3.4. Partial Redemptions. If less than all of the Series 2015 Bonds of a maturity are to be redeemed, the particular Series 2015 Bonds of such maturity to be redeemed shall be selected by lot in such manner as may be designated by DTC, when in Book-Entry Form, and by the Paying Agent, when not in Book-Entry Form. The Series 2015 Bonds are subject to redemption only in principal amounts of \$5,000 or any integral multiple thereof. Any Series 2015 Bond, a portion of which has been redeemed as contemplated by this Section, shall be considered to be outstanding only in an amount reduced by the portion thereof so redeemed whether or not it has been surrendered as aforesaid.

Section 3.5. Redemption Need Not Be Pro Rata. Redemption need not be pro rata among series of Series 2015 Bonds. The Authority may redeem any or all of the Series 2015 Bonds of any series before it redeems any of the Series 2015 Bonds of any other series, or, subject to the terms of the Indenture, as supplemented, relating to a series of Additional Indebtedness, it may redeem a portion of the Series 2015 Bonds of one series before, or at the same time that, it redeems all or a portion of any other series.

Section 3.6. Notice of Redemption. Notice of any redemption of Series 2015 Bonds shall be given one time not more than 60 and not less than 30 days prior to the date fixed for redemption to the holders of each of the Series 2015 Bonds being called for redemption by registered or certified mail at the address shown on the register of the Bond Registrar pertaining to the Series 2015 Bonds; provided, that if the Authority shall issue any Additional Indebtedness bearing interest at other than a fixed rate, it may, in the proceedings relating thereto, provide for shorter or longer periods for notices of redemption as it may deem appropriate. Failure of the Authority to give any such notice or any defect therein as to any Series 2015 Bond or Series 2015 Bonds shall not affect the redemption of any other Series 2015 Bonds as to which proper notice of redemption has been given as provided herein or therein. Failure of the holder of any

Series 2015 Bond to receive any such notice as so given shall not affect the validity of the proceedings for the redemption of any such Series 2015 Bond.

If at the time of mailing of notice of redemption there shall not have been deposited with the Paying Agent moneys sufficient to redeem all the Series 2015 Bonds called for redemption, which moneys are or will be available for redemption of Series 2015 Bonds, such notice shall state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 3.7. Cancellation and Destruction of Series 2015 Bonds. All Series 2015 Bonds paid, redeemed or purchased, either at or before maturity, when such payment, redemption or purchase is made, shall thereupon be canceled by the Trustee and shall not be reissued but shall thereupon be destroyed by the Trustee and a record thereof furnished periodically to the Authority.

Section 3.8. Conditions to Delivery of Series 2015 Bonds. The Series 2015 Bonds shall be authenticated by the Trustee and delivered to or upon the directions of the purchaser thereof upon receipt by the Trustee of all conditions to the issuance of Obligations under Sections 2.7 and 4.1 of the Original Indenture.

ARTICLE IV

SOURCE AND APPLICATION OF FUNDS; REFUNDING OF REFUNDED BONDS; 2015 SINKING FUND ACCOUNT; COSTS OF ISSUANCE FUND

Section 4.1. Application of Proceeds of Series 2015 Bonds. Upon the issuance and delivery of the Series 2015 Bonds, the net proceeds of the sale thereof in the amount of \$9,130,902.80 (representing the aggregate principal amount of the Series 2015 Bonds of \$8,425,000, plus net original issue premium of \$769,090.30, less underwriters' discount of \$63,187.50) shall be deposited as follows:

(i) an amount needed to advance refund the Refunded Bonds shall be deposited with the Escrow Agent, under the Escrow Deposit Agreement, which amount, and the interest derived therefrom, shall be sufficient to pay the principal of and interest on the Refunded Bonds as they come due from August 1, 2015 through February 1, 2018 and to redeem the Series 2008 Bonds, maturing on and after February 1, 2019 on February 1, 2018; and

(ii) The balance of the proceeds from the sale of the Series 2015 Bonds shall be deposited into the Costs of Issuance Fund (as defined below) and applied to the payment of the costs of issuance for the Series 2015 Bonds. At such time as all of the costs of issuance for the Series 2015 Bonds have been paid, any moneys remaining in the Costs of Issuance Fund shall be deposited into the Sinking Fund and applied to the payment of principal of and interest on the Series 2015 Bonds.

Section 4.2. Refunding of Refunded Bonds. The Refunded Bonds shall be refunded through provision for their payment and redemption, as provided in this Article IV. The Authority hereby exercises its right under the First Supplemental Indenture to redeem the Refunded Bonds on February 1, 2018. The Authority hereby directs Regions Bank, Atlanta, Georgia to send a notice of redemption in connection with the redemption of the Refunded Bonds and to send a provision of payment notice in connection with the refunding of the Refunded Bonds.

Section 4.3. Lien on Escrow Funds. The owners of the Refunded Bonds shall have an express lien on all funds deposited with the Escrow Agent until paid out, used and applied in accordance with the terms of the Escrow Deposit Agreement.

Section 4.4. Termination of Rights. The Authority acknowledges and intends that by virtue of the deposit with the Escrow Agent as described in Section 4.1(i), the Refunded Bonds shall be deemed to have been paid and that consequently, the lien of the Refunded Bonds created by the Original Indenture and the First Supplemental Indenture on the Trust Estate, securing payment of such bonds, shall have ceased, terminated, and become void.

Section 4.5. 2015 Sinking Fund Account. There is hereby created and established with the Trustee a trust account in the Sinking Fund which is designated the "Walton County Water and Sewerage Authority 2015 Sinking Fund Account" (the "2015 Sinking Fund Account"). The

Trustee is authorized to deposit into the 2015 Sinking Fund Account (and into any account therein) any moneys or securities transferred to it by, or at the direction of, the Authority which are accompanied by instructions that such moneys or securities are to be deposited into the 2015 Sinking Fund Account.

There are hereby created within the 2015 Sinking Fund Account three subaccounts to be designated as follows: the "2015 Interest Account," the "2015 Principal Account" and the "2015 Redemption Account." The Authority may establish from time to time additional accounts or sub-accounts in the 2015 Sinking Fund Account.

The Authority shall provide the Trustee, from the Trust Estate, moneys for deposit into the 2015 Sinking Fund Account sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2015 Bonds as and when the same are due and payable, whether on any regularly scheduled payment date or upon any redemption or acceleration of the Series 2015 Bonds.

Moneys in the 2015 Sinking Fund Account shall constitute part of the Trust Estate created under the Indenture and may be used to pay amounts due on any series of Bonds or obligations issued under the Indenture on a parity basis with the Series 2015 Bonds unless the Authority shall set aside and designate any particular funds or moneys as being dedicated to the payment of the Series 2015 Bonds or some portion thereof as provided in Article 11 of the Original Indenture, in which case such Series 2015 Bonds shall be payable solely from such source.

Section 4.6. Nonpresentment of Series 2015 Bonds. In the event any Series 2015 Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Series 2015 Bond shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Authority to the owner thereof for the payment of such Series 2015 Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the owner of such Series 2015 Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or her part under this Indenture with respect to such Series 2015 Bonds. Such funds need not be invested, but if invested, shall be invested only in Government Obligations with maturities of 30 days or less.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Series 2015 Bonds within two years after the date on which the same shall have become due shall be repaid by the Trustee to the Authority, and thereafter owners of Series 2015 Bonds shall be entitled to look only to the Authority for payment, and then to the extent of the amount so repaid, and all liability of the Trustee with respect to such money shall thereupon cease, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 4.7. Payments Pursuant to the Intergovernmental Contract. The County and the Authority have entered into an Intergovernmental Contract-Reservoir Project, dated as of

October 1, 2007 (the “Original Contract”), as supplemented by a First Supplement to Intergovernmental Contract – Reservoir Project, dated as of April 1, 2008 (the “First Supplement”). Simultaneously with the issuance and delivery of the Series 2015 Bonds, the Authority will enter into the Second Supplement to Intergovernmental Contract-Reservoir Project, dated as of July 1, 2015 (the “Second Supplement to Contract”) and, together with the Original Contract, as supplemented by the First Supplement, the “Intergovernmental Contract”), with the County pursuant to which, in consideration of the Authority’s agreement to provide certain facilities and water services to the citizens of Oconee County, has agreed to pay the Authority amounts, which the Authority will use to provide for the payment of the principal of, redemption premium, if any, and interest on the Series 2008 Bonds, maturing in the years 2016 through 2023, inclusive, and a portion of the Series 2008 Bonds, maturing in 2028 in the aggregate principal amount of \$480,000 and subject to sinking fund redemption on February 1 in the year 2027 (in part) and a portion of the Series 2008 Bonds maturing 2038 in the aggregate principal amount of \$3,825,000 and subject to sinking fund redemption on February 1 in the years 2036 through 2038, inclusive, and the Series 2015 Bonds when due. The County has also agreed in the Intergovernmental Contract to levy taxes if necessary on all property in the County subject to taxation for such purposes as may be necessary for the County to make the payments required of it pursuant to the Intergovernmental Contract. Payments on the Intergovernmental Contract have been assigned to the Trustee as part of the Trust Estate.

Section 4.8 Costs of Issuance Fund. A special fund is hereby authorized to be created and established prior to the issuance and delivery of the Series 2015 Bonds, said fund to be designated the “Walton County Water and Sewerage Authority 2015 Costs of Issuance Fund” (the “Costs of Issuance Fund”). Said fund shall be held separate and apart from all other deposits or funds, and the Authority shall keep and maintain adequate records pertaining to the Costs of Issuance Fund and all disbursements therefrom. There shall be deposited with the Costs of Issuance Fund Depository, the amounts specified in Section 401(ii) above, and any other funds acquired for this purpose by gift, donation, grant or otherwise. Regions Bank is hereby designated as the Costs of Issuance Fund Depository for the Costs of Issuance Fund.

Section 4.9. Requisition Procedure. All payments from the Costs of Issuance Fund shall be made upon checks signed or bank wires authorized by authorized signatories of the Costs of Issuance Fund Depository, on behalf of the Authority, but before they shall sign any such checks or authorize any such bank wires there shall be filed with the Costs of Issuance Fund Depository: (a) a requisition for such payment (the above-mentioned checks and bank wires may be deemed a requisition for the purpose of this Section), stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due; (b) a certificate attached to the requisition and certifying that an obligation in the stated amount has been incurred, and that the same is a proper charge against the Costs of Issuance Fund and has not been paid (or is a reimbursement to the Authority for previously paying such obligation), specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed, accompanied by the bill or statement of account for such obligation, or a copy thereof.

ARTICLE V

DEBT SERVICE RESERVE FUND

Once the Prior Bonds are no longer Outstanding, the Debt Service Reserve Fund will no longer be maintained and all references to the Debt Service Reserve Fund and the Reserve Requirement in the Indenture will be stricken. The Holders of the Series 2015 Bonds shall be deemed to consent to the abolition of the Debt Service Reserve Fund as described in the Indenture by virtue of their purchase of the Series 2015 Bonds.

All supplemental indentures approved in connection with the issuance of Additional Indebtedness shall contain this provision.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Original Indenture, First Supplemental Indenture and Second Supplemental Indenture as One Document. As supplemented by First Supplemental Indenture and this Second Supplemental Indenture, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 6.2. References. All references herein or in the Original Indenture to any Article, Section or provision of the Original Indenture shall be deemed to refer to such Article, Section or provision as supplemented by the First Supplemental Indenture or as hereby supplemented, unless in any case, the use or context otherwise requires.

Section 6.3. Counterparts. This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

Section 6.4. Captions. The captions or headings in this Second Supplemental Indenture are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Supplemental Indenture.

Section 6.5. Governing Law. The effect and meaning of this Second Supplemental Indenture and the rights of all parties hereunder shall be governed by and construed in accordance with the laws of the State of Georgia (without regard to the conflict of laws principles thereof).

Section 6.6. Effective Date and Term. This Second Supplemental Indenture shall become effective upon the execution and delivery hereof by the Authority and the Trustee, and shall continue in full force and effect until the Series 2015 Bonds are no longer outstanding pursuant to the Indenture.

IN WITNESS WHEREOF, the Authority and the Trustee have caused these presents to be executed in their respective names and behalf and sealed and attested by their duly authorized officers, and to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be executed, sealed and attested in its name and behalf by its duly authorized officers, all as of the date first above written.



(SEAL)

Attest:


Shirley Hugg
Secretary

WALTON COUNTY WATER AND
SEWERAGE AUTHORITY

By: *Bred Johnson*
Chairman

(SEAL)

Attest:



Name: **BRENDA LANDERS**
Title: **Senior Vice President**

REGIONS BANK, as Trustee

By: 

Name: **RICHARD M. JAEGLER**
Title: **Vice President**

EXHIBIT "A"

[FORM OF SERIES 2015 BOND]

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF GEORGIA

WALTON COUNTY WATER AND SEWERAGE AUTHORITY
REFUNDING REVENUE BONDS
(OCONEE – HARD LABOR CREEK RESERVOIR PROJECT)
SERIES 2015

INTEREST RATE:

_____ %

MATURITY DATE:

February 1, 20____

CUSIP:

FOR VALUE RECEIVED, WALTON COUNTY WATER AND SEWERAGE AUTHORITY (the "Authority"), a public body corporate and politic, created and existing pursuant to an Act of the General Assembly of Georgia (Ga. Laws 1972, p. 3623 et seq.), as amended from time to time (the "Act"), hereby promises to pay solely from the sources hereinafter described to

CEDE & CO.,

or registered assigns, the principal sum of

_____ DOLLARS

on the date specified above, upon presentation and surrender of this bond at the corporate trust office in Atlanta, Georgia of Regions Bank, Atlanta, Georgia, as trustee, registrar and paying agent (the "Trustee"), and to pay interest on said principal sum (computed on the basis of a 360-day year of twelve 30-day months) at the interest rate per annum specified above, payable semiannually on the first days of February and August of each year (each such date an "Interest Payment Date"), commencing February 1, 2016, from the Interest Payment Date next preceding the date of authentication of this bond to which interest has been paid or provided for, unless the date of authentication of this bond is an Interest Payment Date to which interest has been paid or provided for, in which case from the date hereof or unless no interest has been paid hereon in which case from July 29, 2015 or unless such authentication date shall be after any Record Date (hereinafter defined) and before the next succeeding Interest Payment Date in which case interest shall be paid from the next succeeding Interest Payment Date.

The interest payable on any Interest Payment Date will be paid by first class mail postage prepaid, mailed on the date on which due to the person in whose name this bond is registered at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (each such date, a "Record Date") at the address shown on the bond register

maintained by the Trustee on such Record Date except that any interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner of this bond as of the Record Date, and shall be payable to the person who is the registered owner of this bond at the close of business on a special record date for the payment of such defaulted interest. Such special record date shall be fixed by the Trustee whenever moneys become available for the payment of such defaulted interest, and notice of the special record date shall be given by first class mail by the Trustee or by or on behalf of the Authority to the owner hereof not less than 15 days prior thereto. Any owner of bonds of this series in an aggregate principal amount of at least \$1,000,000 who shall, on or before any Record Date, supply the Trustee with written wire transfer instructions, the interest on such Interest Payment Date and on subsequent Interest Payment Dates shall be paid by wire transfer in accordance with such instructions or to such securities depository, as the case may be, until the Trustee receives written notice to the contrary. Principal and interest are payable in any coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts.

Notwithstanding the foregoing, as long as this bond is held in book-entry form and registered in the name of a securities depository or its nominee, principal and interest shall be paid by wire transfer to the securities depository or its nominee and subsequently disbursed by such depository or its nominee to beneficial owners as more fully described below.

This bond is one of a duly authorized series of revenue bonds in the aggregate principal amount of \$8,425,000, all of like tenor, except as to authentication dates, numbers, denominations, interest rates and maturities (the "Series 2015 Bonds"), issued pursuant to the Act and a resolution of the Authority duly adopted on June 30, 2015 (the "Resolution") for the purpose of providing funds to (i) refund a portion of the Authority's Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2008 Bonds (the "Series 2008 Bonds"), maturing on February 1, 2028, in the aggregate principal amount of \$1,120,000 and subject to sinking fund redemption on February 1 in the years 2027 (in part) and 2028, and maturing on February 1, 2038, in the aggregate principal amount of \$7,020,000 and subject to mandatory sinking fund redemption on February 1 in the years 2029 through 2035, inclusive and (ii) pay the costs of issuing the Series 2015 Bonds. The Series 2008 Bonds were issued for the purpose of (i) financing or refinancing, in whole or in part, the cost of the acquisition, construction, and equipping of a new reservoir and related treatment, pumping and other facilities and other related facilities, including piping (the "Project"); and (ii) paying all or a portion of the costs of issuance of the Series 2008 Bonds, including bond insurance premium.

The Authority and Oconee County, Georgia (the "County") entered into an Intergovernmental Contract-Reservoir Project, dated as of October 1, 2007, as supplemented by a First Supplement to Intergovernmental Contract-Reservoir Project, dated as of April 1, 2008 and as supplemented by a Second Supplement to Intergovernmental Contract – Reservoir Project, dated as of July 1, 2015 (together, the "Intergovernmental Contract"), pursuant to which in consideration of the Authority's agreement to provide certain facilities and water services to the citizens of the County, has agreed to pay the Authority amounts, which the Authority will use to provide for the payment of the principal of, premium, if any, and interest on the Series 2008 Bonds, maturing in the years 2016 through 2023, inclusive, and a portion of the Series 2008 Bonds, maturing in 2028 in the aggregate principal amount of \$480,000 and subject to sinking

fund redemption on February 1 in the year 2027 (in part) and a portion of the Series 2008 Bonds maturing 2038 in the aggregate principal amount of \$3,825,000 and subject to sinking fund redemption on February 1 in the years 2036 through 2038, inclusive, and the Series 2015 Bonds when due, and which amounts will be sufficient for such purpose, and further agreed, pursuant to the Act and the constitutional power of the County to levy taxes to provide water and sewerage services generally to levy an annual tax on all property located within the County as may be necessary for the County to make the payments required of it pursuant to the Intergovernmental Contract.

As security for the payment of the Series 2015 Bonds, the Authority has assigned to Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"), under the Trust Indenture, dated as of April 1, 2008 (the "Original Indenture"), as supplemented by a First Supplemental Indenture, dated as of April 1, 2008, and as supplemented by a Second Supplemental Indenture, dated as of July 1, 2015 (together, the "Indenture"), the "Trust Estate," which includes all right, title and interest of the Authority in (i) the Intergovernmental Contract and (ii) all amounts on deposit from time to time in the funds and accounts established under the Indenture. The Series 2015 Bonds are not secured by a mortgage or lien on the Project.

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING OCONEE COUNTY, GEORGIA AND WALTON COUNTY, GEORGIA. THIS BOND IS PAYABLE BY THE AUTHORITY, SOLELY FROM THE TRUST ESTATE PLEDGED TO THE PAYMENT THEREOF UNDER THE INDENTURE. NO OWNER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING OCONEE COUNTY, GEORGIA AND WALTON COUNTY, GEORGIA, TO PAY THIS BOND OR THE INTEREST HEREON OR ANY OTHER COST RELATING HERETO OR TO ENFORCE PAYMENT HEREOF AGAINST ANY PROPERTY OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND AGAINST ANY OFFICER, DIRECTOR OR MEMBER OF THE AUTHORITY.

Reference is hereby made to the Indenture for a description of the moneys pledged and assigned to the payment of the Series 2015 Bonds, the provisions, among others, with respect to the nature and extent of the security for the Series 2015 Bonds, the rights, duties and obligations of the Authority, the Trustee and the owners of the Series 2015 Bonds, and the terms under which the Indenture may be supplemented or amended.

The bonds are being issued by means of a book-entry system, with actual bonds immobilized at The Depository Trust Company, New York, New York, or its successor as securities depository, evidencing ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, and with transfers of beneficial ownership effected on the records of the securities depository and its participants pursuant to the rules and procedures established by the securities depository. Actual bonds are not available for distribution to the beneficial owners, except under the limited circumstances set forth in the Indenture. The principal, redemption premium (if any) and interest on the bonds are payable by the Trustee to Cede & Co., as nominee

of the securities depository. Transfer of principal, redemption premium (if any) and interest payments to participants of the securities depository is the responsibility of the securities depository; transfers of principal, redemption premium (if any) and interest to beneficial owners by Participants of the securities depository will be the responsibility of such participants and other nominees of beneficial owners. The delivery of notices and voting procedures will be carried pursuant to the rules and procedures established by the securities depository. The Authority and the Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by the securities depository, its participants or persons acting through such participants.

While not in book-entry form, this bond may be registered as transferred only upon the registration books kept for that purpose at the principal corporate trust office of the Trustee by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Trustee of this bond duly endorsed for registration of transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new registered bond, of the same series, in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor.

While not in book-entry form, this bond may be exchanged by the registered owner hereof or his or her duly authorized attorney upon presentation at the principal corporate trust office of the Trustee in Atlanta, Georgia for an equal aggregate principal amount of Series 2015 Bonds of the same maturity, interest rate and series and in any authorized denominations in the manner, subject to the conditions and upon payment of charges, if any, provided in the Indenture.

The Series 2015 Bonds are issuable in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The person in whose name this bond is registered on the registration books kept by the Trustee shall be deemed to be the owner of this bond for all purposes.

The Series 2015 Bonds maturing on or after February 1, 2026 are redeemable at the option of the Authority, in whole or in part at any time and in any order of maturity, not earlier than August 1, 2025, from any moneys available therefor, at a redemption price of 100% of principal amount of such bonds, plus accrued interest to the redemption date.

The Series 2015 Bonds maturing on February 1, 2026, are subject to mandatory sinking fund redemption on February 1, 2019 and on each February 1 thereafter, in accordance with the table below, at a redemption price equal to the principal amount of each Series 2015 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed for redemption, in the following principal amounts and on the dates set forth below (the February 1, 2026 amount to be paid rather than redeemed):

<u>February 1 of the Year</u>	<u>Principal Amount to be redeemed</u>
2019	\$25,000
2020	25,000
2021	25,000

2022	25,000
2023	25,000
2024	25,000
2025	30,000
2026	30,000

In the event any of the Series 2015 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2015 Bonds (or portions thereof) to be redeemed and specifying the terms of such redemption will be given by mailing a copy of the redemption notice by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2015 Bond to be redeemed at the address shown on the books of the Registrar maintained pursuant to Section 2.4 of the Original Indenture; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of proceedings for the redemption of any Series 2015 Bond or portion thereof with respect to which no such failure has occurred. All Series 2015 Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at that time.

If at the time of mailing of notice of redemption there shall not have been deposited with the Paying Agent moneys sufficient to redeem all the Series 2015 Bonds called for redemption, which moneys are or will be available for redemption of Series 2015 Bonds, such notice shall state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

If the Series 2015 Bonds are called for redemption in part, the Series 2015 Bonds within each maturity so called for redemption shall be selected by lot or in such manner as may be designated by the Securities Depository, when in book-entry form and by the Bond Registrar, when not in book-entry form.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until this bond shall have been authenticated and registered upon the registration books kept by the Trustee for that purpose, which authentication shall be evidenced by the manual execution of the bond hereon by the Trustee.

It is hereby recited and certified that all acts, conditions and things required by the Constitution and laws of the State of Georgia to happen, exist and be performed precedent to and in the issuance of this bond, the execution of the Indenture and Intergovernmental Contract, and the adoption of the Resolution by the Authority have happened, do exist and have been performed as so required. This bond is issued with the intent that the laws of the State of Georgia shall govern its enforcement and construction.

The Authority has designated these Series 2015 Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Walton County Water and Sewerage Authority has caused this bond to be executed by the manual or facsimile signature of its Chairman and its official seal to be impressed or printed hereon and attested by the manual or facsimile signature of its Secretary.

WALTON COUNTY WATER AND
SEWERAGE AUTHORITY

(SEAL)

By: _____
Chairman

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2015

This bond is one of the Series 2015 Bonds described in the within mentioned Indenture.

REGIONS BANK,
as Trustee

By: _____
Authorized Signatory

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF WALTON

The undersigned Clerk of the Superior Court of Walton County, State of Georgia, DOES HEREBY CERTIFY that this bond was validated and confirmed by judgment of the Superior Court of Walton County, Georgia, on the ___ day of July, 2015.

Witness my manual or facsimile signature and seal of the Superior Court of Walton County, Georgia.

Clerk, Superior Court, Walton County, Georgia

(SEAL)

(FORM OF TRANSFER)

FOR VALUE RECEIVED, _____ the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Series Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2015 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

(Authorized Officer)
Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2015 Bond in every particular, without alteration or enlargement or any change whatever.

DTC FAST RIDER

Each such bond shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Trustee and DTC – FAST Agreement.