

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (this “Agreement”) made as of this 29th day of July, 2015, between the Walton County Water and Sewerage Authority, a public corporation of the State of Georgia (the “Authority”), and Regions Bank, Atlanta, Georgia, as escrow agent (in such capacity, the “Escrow Agent”), and as Trustee for the hereinafter described Series 2008 Bonds (in such capacity, the “Series 2008 Trustee”),

W I T N E S S E T H:

WHEREAS, under a Trust Indenture, as supplemented by a First Supplemental Trust Indenture, each dated April 1, 2008, between the Authority and the Series 2008 Trustee (collectively, the “Indenture”), the Authority has heretofore issued \$19,535,000 in aggregate principal amount of Walton County Water and Sewerage Authority Revenue Bonds, Series 2008, dated as of April 2, 2008 (the “Series 2008 Bonds”); and

WHEREAS, pursuant to the Bond Resolution adopted by the Authority on June 30, 2015, the Authority has authorized the advance refunding of 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 in the amount of \$300,000) 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 has provided for the payment of the principal of and interest on the Refunded Bonds as they come due through their date of earliest redemption, February 1, 2018; and

WHEREAS, the Refunded Bonds are no longer outstanding, provision for the payment thereof having been made from the proceeds of the \$8,425,000 in aggregate principal amount of Walton County Water and Sewerage Authority Refunding Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2015 (the “Series 2015 Bonds”); and

WHEREAS, the Refunded Bonds bear interest at the rates per annum and mature on February 1 of each of the years as more fully set forth in Exhibit A attached hereto and by this reference made a part hereof; and

WHEREAS, in anticipation of the beneficial result of providing at this time for the refunding of the Refunded Bonds, the Authority has deposited into the Escrow Deposit Fund created hereunder sufficient monies which will allow the Escrow Agent to purchase general and direct obligations of the United States of America the principal of and interest on which obligations, when due, together with an initial cash balance, will provide sufficient monies to pay, when due, the amount necessary to pay the principal of and interest on the Refunded Bonds as more particularly hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The Refunded Bonds shall be refunded through payment as provided in this Agreement. There is hereby created by the Authority and ordered established with the Escrow Agent a special separate and irrevocable trust fund to be designated “Walton County Water and Sewerage Authority Escrow Deposit Fund, Series 2008” (the “Escrow Deposit Fund”). The Authority hereby delivers to the Escrow Agent and directs the Escrow Agent to deposit into the Escrow Deposit Fund \$9,171,046.88 of the proceeds of the Series 2015 Bonds (in the amount of \$8,967,546.88) and other available funds of the Authority (in the amount of \$203,500), and to apply \$9,170,870.06 of such moneys to the immediate purchase of the general and direct non-callable obligations of the United States of America which are described in Exhibit B attached hereto and by this reference incorporated herein (said general and direct non-callable obligations being herein called the “Acquired Obligations”) and to hold \$176.82 as a cash deposit (the “Cash”).

2. The Escrow Agent acknowledges receipt of:

(a) a certified copy of the Bond Resolution;

(b) the moneys described in Section 1 and represents that it has deposited said moneys in the Escrow Deposit Fund;

(c) the evidence submitted to it of ownership by it, as Escrow Agent, of the Acquired Obligations;

(d) the Cash; and

(e) a copy of the Verification Report of Causey Demgen & Moore, Inc., dated July 29, 2015 (the “Verification Report”), a copy of which is attached hereto as Exhibit C, and by this reference is incorporated herein.

3. The Authority represents and warrants that, based on the Verification Report, the principal of and interest on the Acquired Obligations as and when due and payable and received in due course and deposited into the Escrow Deposit Fund, plus the Cash, will provide lawful money of the United States of America sufficient: (i) to pay principal and interest on the Refunded Bonds through February 1, 2018, and (ii) to redeem the Refunded Bonds maturing on and after February 1, 2019, on February 1, 2018, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date (the “Defeasance Requirements,” as set forth in Exhibit D attached hereto).

4. The Escrow Agent acknowledges the establishment with it of the Escrow Deposit Fund, acknowledges that the Acquired Obligations and the Cash have been deposited in

said Escrow Deposit Fund, and agrees that any interest earned on the Acquired Obligations shall be held for the credit of the Escrow Deposit Fund.

5. The deposit of the Acquired Obligations and Cash in the Escrow Deposit Fund constitutes an irrevocable deposit thereof in trust solely for the purpose of making the payments described in Paragraph 3 hereof.

6. The Escrow Agent agrees to apply the proceeds of the Acquired Obligations and the Cash deposited in the Escrow Deposit Fund, and the interest earned on said Acquired Obligations and the Cash, in accordance with the provisions hereof.

7. The Authority hereby irrevocably authorizes and directs the Escrow Agent to transfer to the Series 2008 Trustee (or its successors or assigns in such capacity) on or prior to the payment dates specified in Exhibit A the amounts specified for the Refunded Bonds together with instructions that such amounts be applied to the payment of the principal of and interest on the Refunded Bonds.

The Series 2008 Trustee agrees that it will continue to comply with the applicable and necessary provisions of the Indenture which pertain to the payment, registration, transfer and exchange of the Refunded Bonds. Such provisions and the applicable and necessary provisions of the Indenture pertaining to the replacement of lost, destroyed or mutilated bonds are specifically incorporated herein by this reference thereto and the Series 2008 Trustee shall continue to abide by such provisions until the payment of the Refunded Bonds.

As soon as possible following the execution and delivery of this Agreement, the Series 2008 Trustee shall mail by first-class mail, postage prepaid, to all registered owners of the Refunded Bonds and shall file with the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format through the Electronic Municipal Market Access system of the MSRB, a provision for payment notice substantially to the following effect:

* * *

PROVISION FOR PAYMENT NOTICE

WALTON COUNTY WATER AND SEWERAGE AUTHORITY
REVENUE BONDS (OCONEE – HARD LABOR CREEK RESERVOIR PROJECT),
SERIES 2008
DATED APRIL 2, 2008
("Series 2008 Bonds")

NOTICE IS HEREBY GIVEN that provision for the payment has been made for a portion of the Series 2008 Bonds which were issued as term bonds maturing on February 1, 2028 and on February 1, 2038 (collectively, the "Refunded Bonds"), and that the Refunded Bonds will be optionally redeemed on February 1, 2018 (the "Redemption Date").

Please see the table below for the breakdown of the Refunded Bonds for each maturity.

Year	Principal Amount	Interest Rate	CUSIP
2028	\$3,730,000*	5.000%	93342PBX3*
2038	10,845,000*	5.000	93342PBY1*

* Partial refunding and defeasance of 2028 and 2038 maturities as shown in the following table:

Original CUSIP Number	Maturity Date (February 1)	Prior Principal Amount Outstanding	Principal Amount Being Refunded and Defeased	Principal Amount Outstanding After Defeasance	Interest Rate	New CUSIP Number for Refunded Portion	New CUSIP Number for Non-Refunded Portion
93342PBX3	2028	\$3,730,000	\$1,120,000	\$2,610,000	5.00%	93342PCV6	93342PCX2
93342PBY1	2038	\$10,845,000	\$7,020,000	\$3,825,000	5.00%	93342PCW4	93342PCY0

Regions Bank, Atlanta, Georgia, as Escrow Agent, has received and has on irrevocable deposit under an Escrow Deposit Agreement, dated July 29, 2015, by and among the Authority and Regions Bank, Atlanta, Georgia, as Escrow Agent and as Trustee for the Refunded Bonds, cash and general and direct obligations of the United States of America the principal of and interest on which obligations, when due, will provide moneys sufficient to pay the principal and interest on the Refunded Bonds, as the same become due and payable, through February 1, 2018 and to redeem the Refunded Bonds, maturing on and after February 1, 2019, on February 1, 2018 at a redemption price equal to 100% of the principal amount thereof plus accrued interest. The Escrow Agent shall collect the principal of and interest on such obligations and shall transfer the same, together with any cash balance, to Regions Bank, as Trustee for the Refunded Bonds for application to the payment of the principal of and interest on the Refunded Bonds.

All of the Refunded Bonds are now deemed to have been paid, and the holders and owners of the Refunded Bonds shall hereafter be limited to the application of such cash moneys

and general and direct obligations of the United States of America for payment of the principal of and interest on the Refunded Bonds.

The Refunded Bonds comprise \$8,140,000 of the \$19,065,000 in aggregate principal amount of the Series 2008 Bonds heretofore outstanding and unpaid. \$10,925,000 in aggregate principal amount of Series 2008 Bonds shall remain outstanding under the provisions of the Indenture as serial bonds maturing on February 1 in the years 2016 through 2023, inclusive, as term bonds maturing on February 1, 2028, \$675,000 of which shall be subject to mandatory redemption on February 1, 2024, \$710,000 of which shall be subject to mandatory redemption on February 1, 2025, \$745,000 of which shall be subject to mandatory redemption on February 1, 2026 and \$480,000 of which shall be subject to mandatory redemption on February 1, 2027, and as term bonds maturing on February 1, 2038, \$1,215,000 of which shall be subject to mandatory redemption on February 1, 2036, \$1,275,000 of which shall be subject to mandatory redemption on February 1, 2037 and \$1,335,000 of which shall be subject to mandatory redemption on February 1, 2038.

This notice is for information purposes only and does not require any action at this time. Holders will be notified prior to the redemption date.

REGIONS BANK, as
Escrow Agent

By: _____
Authorized Signatory

Dated July ____, 2015

* * *

The Series 2008 Trustee represents and warrants that all principal and interest which became due and payable on the Refunded Bonds prior to the execution and delivery of this Agreement have been paid by the Series 2008 Trustee or the Series 2008 Trustee is holding money sufficient to make such payments.

The Escrow Agent acknowledges and accepts the foregoing direction and authorization. The liability of the Escrow Agent for the payment of the principal of and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of the proceeds of the Acquired Obligations available for such purposes in the Escrow Deposit Fund.

8. The Escrow Agent shall maintain full and complete records of all assets and funds held by the Escrow Agent from time to time under this Agreement, and of all receipts and disbursements hereunder, and shall furnish the Authority reports thereof upon written request, subject to such reasonable regulations or restrictions as the Escrow Agent may from time to time impose.

9. Immediately after February 1, 2018, any monies and securities remaining in the Escrow Deposit Fund, if any, after payment of all amounts payable therefrom as described in Paragraph 3 of this Agreement or retention by the Escrow Agent of amounts sufficient to make such payments not theretofore made, shall be paid over to the Authority and this Agreement and the rights hereby granted shall thereupon cease, determine and be void, but such termination of this Agreement shall not affect the obligation of the Series 2008 Trustee with respect to payments of the amounts payable to the holders of the Refunded Bonds, whether or not such Refunded Bonds and coupons appertaining thereto may have been presented for payment on the date of termination of this Agreement.

10. The creation and establishment of the Escrow Deposit Fund for the purposes herein specified shall be irrevocable. The holders and owners of the Refunded Bonds shall have an express lien on the aforesaid Acquired Obligations and all cash monies in said fund from time to time until paid out, used and applied in accordance with this Agreement.

11. At least 30 days before February 1, 2018 (but no more than 60 days before such date), the Series 2008 Trustee hereby agrees to mail by first-class mail, postage prepaid, the Notice of Redemption substantially in the form attached hereto as Schedule 1 to all owners of the Refunded Bonds, maturing on and after February 1, 2019, whose addresses shall appear in the registration book maintained by the Bond Registrar. Expenses for mailing and notification of depositors for any notice required by this Agreement shall be borne by the Authority.

12. To the extent authorized by law, the Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against any of them at any time (whether or not also indemnified against the same by any other person under any other agreement or instrument) and in any way

relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Deposit Fund, the acceptance of the money deposited therein, the purchase of the Acquired Obligations, the retention of the Acquired Obligations or the proceeds thereof and any payment, transfer or other application of funds or Acquired Obligations by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Authority expressly does not indemnify the Escrow Agent against its own gross negligence or willful misconduct. Except as to the holders of the Refunded Bonds, in no event shall the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement or the sooner resignation of the Escrow Agent.

13. The Escrow Agent acknowledges that it will, by virtue of its services hereunder, have no lien or right of set-off on the Acquired Obligations or any other moneys in the Escrow Deposit Fund for payment of its fees and expenses for acting as Escrow Agent hereunder, for acting as trustee with respect to the Refunded Bonds, or for mailing the notice as specified in paragraph 7 above. The Escrow Agent agrees that it will bill the Authority for its services and expenses at its standard rates at the commencement of this Agreement and shall have no rights against the Escrow Deposit Fund therefor.

14. This Agreement is made for the benefit of the Authority, the holders from time to time of the Refunded Bonds and Assured Guaranty Municipal Corp. (as successor to Financial Security Assurance Inc.) (the "Insurer"), and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the Insurer and the written consent of the Authority and the Escrow Agent; provided, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders or the Insurer, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, in order to (a) cure any ambiguity or formal defect or omission in this Agreement; (b) grant to, or confer upon, the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; (c) subject to this Agreement additional funds, securities or properties; or (d) make such changes as may be required, in the opinion of counsel of recognized experience with respect to federal income tax aspects of municipal securities, to preserve the exemption from federal income taxation of interest on the Refunded Bonds or any other obligations of the Authority hereafter issued; provided, such change does not adversely affect the amounts of funds which would otherwise be available hereunder for payment of principal and interest requirements of the Refunded Bonds when due. With respect to any amendment to this Agreement, the Escrow Agent may request and conclusively rely upon an opinion of counsel to the effect that such amendment is authorized or permitted by this Agreement.

15. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions hereof, and the remaining portions of this Agreement shall in any event be construed to

accomplish the purpose of this Agreement of providing for the payment in full of the principal of and interest on the Refunded Bonds as provided herein.

16. This Agreement may be executed in several counterparts, all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

17. It is expressly understood and agreed that the Escrow Agent's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with counsel with respect to any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by the Escrow Agent in good faith upon the advice of such counsel. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

18. The Escrow Agent may resign at any time upon thirty (30) days' notice to the Authority; provided however, no resignation shall be effective until a successor escrow agent has been appointed by the Authority. If no successor escrow agent has been appointed and accepted its duties within forty-five (45) days of the Escrow Agent's giving notice of resignation, then the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent until a successor shall have been appointed as above provided. The Authority may, from time to time, designate a successor Escrow Agent; provided said Escrow Agent complies with all of the provisions of this Agreement.

19. The provisions of this Agreement shall be governed by the laws of the State of Georgia without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officer or officers and their corporate seals to be hereunto affixed and attested as of the date first above written.



(SEAL)

Attest:

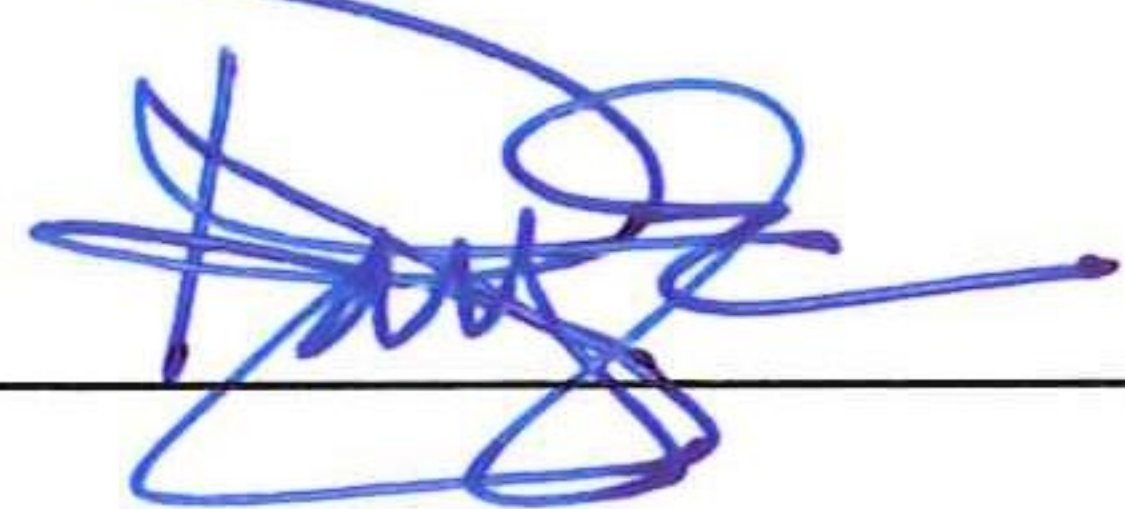
Shirley Huff
Secretary

WALTON COUNTY WATER AND
SEWERAGE AUTHORITY

By: *Bred Johnson*
Chairman

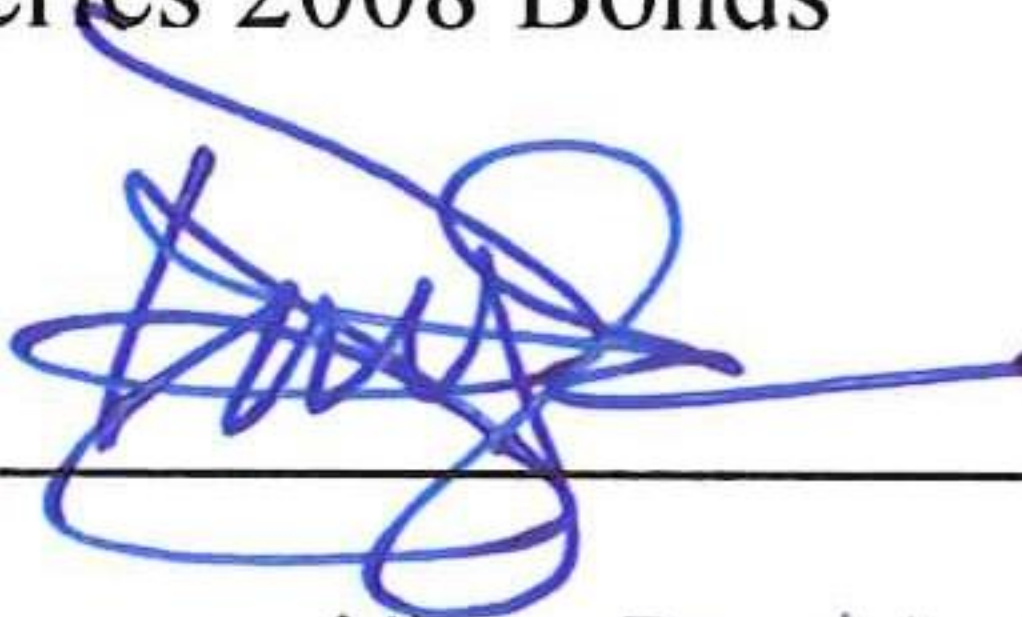
(signature of Escrow Agent and Series 2008 Trustee on next pages)

REGIONS BANK, Atlanta, Georgia, Escrow Agent

By:  _____

Title: Vice President _____

REGIONS BANK, Atlanta, Georgia, as Trustee for
the Series 2008 Bonds

By:  _____

Title: Vice President

EXHIBIT A

REFUNDED BONDS
DEBT SERVICE REQUIREMENTS

See Exhibit B-1 to Verification Report (Exhibit C attached hereto).

EXHIBIT B
TO
ESCROW DEPOSIT AGREEMENT

ACQUIRED OBLIGATIONS

See Exhibits A, A-1, A-2 and A-3 to Verification Report (Exhibit C attached hereto).

EXHIBIT C
TO
ESCROW DEPOSIT AGREEMENT

VERIFICATION REPORT

WALTON COUNTY WATER AND SEWERAGE AUTHORITY (GEORGIA)

**VERIFICATION REPORT FOR THE
REFUNDING REVENUE BONDS
(OCONEE-HARD LABOR CREEK RESERVOIR PROJECT)
SERIES 2015**

CAUSEY DEMGEN & MOORE P.C.
Certified Public Accountants and Consultants

July 29, 2015

Walton County Water and Sewerage
Authority

Stifel, Nicolaus & Company, Incorporated
3060 Peachtree Road N.W., Suite 1700
Atlanta, Georgia 30305

Gray Pannell & Woodward, LLP
3060 Peachtree Road, Suite 730
Atlanta, Georgia 30305

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019

We have completed our engagement to verify the mathematical accuracy of (a) the computations relating to the adequacy of cash plus U.S. Treasury Securities to be held in escrow to pay the debt service requirements of the Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 (only those bonds described in Exhibit B-1) (herein referred to as the "Refunded Bonds") issued by the Walton County Water and Sewerage Authority (Georgia) (herein referred to as the "Authority") and (b) the computations supporting the conclusion of Bond Counsel that the Refunding Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2015 (herein referred to as the "Refunding Bonds") to be issued by the Authority are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended. We express no opinion as to the attainability of the assumptions underlying the computations or the tax-exempt status of the Refunding Bonds. Our verification was performed solely on the information contained in certain schedules of proposed transactions provided by Stifel, Nicolaus & Company, Incorporated (herein referred to as the "Underwriter"). In the course of our engagement to verify the mathematical accuracy of the computations in the schedules provided to us, we prepared Exhibits A through D attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The Authority intends to issue the Refunding Bonds on July 29, 2015 to advance refund the Refunded Bonds. A portion of the proceeds of the Refunding Bonds will be used to purchase U.S. Treasury Securities (herein referred to as the "Restricted Securities") that will be placed into an escrow account, together with cash and U.S. Treasury Securities (herein referred to as the "DSF Securities" and together with the Restricted Securities as the "Escrowed Securities") to be

purchased with certain amounts to be contributed from the debt service fund associated with the Refunded Bonds, to advance refund the Refunded Bonds.

The Escrow Agent will pay the debt service requirements of the Refunded Bonds on each scheduled payment date through and including February 1, 2018 and will redeem the Refunded Bonds, at a redemption price equal to 100% of par, on February 1, 2018, which is the first optional redemption date.

ESCROW ACCOUNT TRANSACTIONS

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to advance refund the Refunded Bonds.

The presently outstanding debt service requirements of the Refunded Bonds will be satisfied by the purchase of the Escrowed Securities (as described in Exhibit A-3) plus \$176.82 in cash. The securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded Bonds are redeemed as previously described.

We read a copy of the Official Statement for the Refunded Bonds insofar as these obligations are described with respect to principal amounts, interest rates, maturity dates, and redemption provisions. We assumed this document to be accurate and all debt service payments on the Refunded Bonds to be current as of July 29, 2015. We compared the above information set forth in this Official Statement with the related information contained in the schedules provided to us and found the information to be consistent.

We read copies of the confirmation statements for the U.S. Treasury Securities to be placed in the escrow account insofar as these securities are described with respect to maturing principal amounts, interest rates, maturity dates, and total cost. We compared the above information set forth in such confirmation statements with the related information contained in the schedules provided to us and found the information to be consistent.

Based on the procedures and information set forth above, the computations provided to us and represented in Exhibits A through B, which indicate that the cash and securities proposed to be placed in escrow by the Authority will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded Bonds, are mathematically correct.

YIELD ON THE REFUNDING BONDS

We verified the mathematical accuracy of the accompanying computations of the yield on the Refunding Bonds as of July 29, 2015. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the adjusted payments to be made on the Refunding Bonds to an amount equal to the target purchase price of the Refunding Bonds. The computations were made using a 360-day year with interest compounded

semi-annually and treated \$769,090.30 as the net original issue premium (which results in a target purchase price of \$9,194,090.30).

In conducting our verification, we assumed that the re-offering prices of the Refunding Bonds are as described in Exhibit C-1, that the Refunding Bonds stated to mature on or before February 1, 2025 are not optionally callable prior to maturity, and that the Refunding Bonds stated to mature on February 1, 2026 and thereafter are optionally callable at par on and after August 1, 2025. We tested to determine whether any combination of optional redemptions of those Refunding Bonds stated to mature on February 1, 2027 through and including February 1, 2035 (which represent the only callable maturities with reoffering prices in excess of the safe harbor limit of 102.500%) (herein referred to as the "Callable Premium Bonds") would result in a lower yield on the Refunding Bonds than that realized by assuming that such bonds are retired on their stated maturity dates. We assumed that all other maturities of the Refunding Bonds would be retired on the dates and in the amounts set forth in Exhibit C-1.

Based upon the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits C and C-1, which indicate that the yield on the Refunding Bonds, assuming the Callable Premium Bonds are redeemed at par on August 1, 2025, is 2.89759%, are mathematically correct. It is our opinion that computing the aforementioned yield on the Refunding Bonds by treating the Callable Premium Bonds as being redeemed at par on August 1, 2025 results in the lowest yield on the Refunding Bonds of all possible payment permutations thereon.

YIELD ON THE INVESTMENT IN THE RESTRICTED SECURITIES

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in the Restricted Securities based on an assumed settlement date of July 29, 2015 and a purchase price of \$8,967,546.88. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the Restricted Securities to an amount equal to the purchase price of the Restricted Securities. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the escrow account, and assume that all cash balances are not reinvested.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibit D, which indicate that the yield on the Restricted Securities is 0.87845% (which is less than the yield on the Refunding Bonds), are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the issuance of the Refunding Bonds and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in the Official Statement for the Refunding Bonds in the section captioned "Verification of Mathematical Computations," (ii) reference may be made to

Walton County Water and Sewerage Authority
July 29, 2015
Page 4

the report in the purchase contract or in any closing documents pertaining to the issuance of the Refunding Bonds, (iii) the report may be used in its entirety as an exhibit to the escrow agreement for the Refunded Bonds, (iv) the report may be included in the transcripts pertaining to the issuance of the Refunding Bonds, (v) the report may be relied upon by Bond Counsel in connection with its opinions concerning the Refunded Bonds and the Refunding Bonds, (vi) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the Refunding Bonds, and (vii) the report may be relied upon by the Escrow Agent for the Refunded Bonds.

* * * * *

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the bonds related to the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

Causesy Demgen & Moore P.C.

EXHIBIT A

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

**ESCROW ACCOUNT CASH FLOW
AS OF JULY 29, 2015**

Date	Cash Receipts from the:		Total	Cash Disbursements From Escrow (Exhibit B)	Cash Balance
	DSF Securities (Exhibit A-1)	Restricted Securities (Exhibit A-2)			
Beginning Balance:					\$176.82
30-Jul-15	\$161,000.00		\$161,000.00		161,176.82
31-Jul-15	415.02	\$42,837.49	43,252.51		204,429.33
01-Aug-15				\$203,500.00	929.33
31-Jan-16	41,917.19	161,335.32	203,252.51		204,181.84
01-Feb-16				203,500.00	681.84
31-Jul-16		203,652.51	203,652.51		204,334.35
01-Aug-16				203,500.00	834.35
31-Jan-17		203,020.01	203,020.01		203,854.36
01-Feb-17				203,500.00	354.36
31-Jul-17		203,302.51	203,302.51		203,656.87
01-Aug-17				203,500.00	156.87
31-Jan-18		8,343,343.13	8,343,343.13		8,343,500.00
01-Feb-18				8,343,500.00	0.00
	\$203,332.21	\$9,157,490.97	\$9,360,823.18	\$9,361,000.00	

EXHIBIT A-1

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

**CASH RECEIPTS FROM THE DSF SECURITIES
 AS OF JULY 29, 2015**

Payment Date	\$161,000.00 0.000% T-Bill 30-Jul-15	\$41,502.17 2.000% T-Note 31-Jan-16	Total Cash Receipts
30-Jul-15	\$161,000.00		\$161,000.00
31-Jul-15		\$415.02	415.02
31-Jan-16		41,917.19	41,917.19
	\$161,000.00	\$42,332.21	\$203,332.21

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

**CASH RECEIPTS FROM THE RESTRICTED SECURITIES
AS OF JULY 29, 2015**

	\$118,497.83	\$162,000.00	\$164,000.00	\$165,000.00	\$8,307,000.00	
	2.000%	3.250%	0.875%	2.375%	0.875%	Total
Payment	T-Note	T-Note	T-Note	T-Note	T-Note	Cash
Date	31-Jan-16	31-Jul-16	31-Jan-17	31-Jul-17	31-Jan-18	Receipts
31-Jul-15	\$1,184.98	\$2,632.50	\$717.50	\$1,959.38	\$36,343.13	\$42,837.49
31-Jan-16	119,682.81	2,632.50	717.50	1,959.38	36,343.13	161,335.32
31-Jul-16		164,632.50	717.50	1,959.38	36,343.13	203,652.51
31-Jan-17			164,717.50	1,959.38	36,343.13	203,020.01
31-Jul-17				166,959.38	36,343.13	203,302.51
31-Jan-18					8,343,343.13	8,343,343.13
	<u>\$120,867.79</u>	<u>\$169,897.50</u>	<u>\$166,870.00</u>	<u>\$174,796.90</u>	<u>\$8,525,058.78</u>	<u>\$9,157,490.97</u>

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

**DESCRIPTION OF THE ESCROWED SECURITIES
AS OF JULY 29, 2015**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Cost	Accrued Interest	Total Purchase Price
DSF Securities:								
T-Bill	29-Jul-15	30-Jul-15	\$161,000.00	0.000%	100.009760%	\$161,015.71		\$161,015.71
T-Note	29-Jul-15	31-Jan-16	41,502.17	2.000%	100.951430%	41,897.03	\$410.44	42,307.47
			<u>\$202,502.17</u>			<u>\$202,912.74</u>	<u>\$410.44</u>	<u>\$203,323.18</u>
Restricted Securities:								
T-Note	29-Jul-15	31-Jan-16	118,497.83	2.000%	100.951430%	119,625.26	1,171.88	120,797.14
T-Note	29-Jul-15	31-Jul-16	162,000.00	3.250%	102.886810%	166,676.63	2,603.41	169,280.04
T-Note	29-Jul-15	31-Jan-17	164,000.00	0.875%	100.499770%	164,819.62	709.57	165,529.19
T-Note	29-Jul-15	31-Jul-17	165,000.00	2.375%	103.324640%	170,485.66	1,937.72	172,423.38
T-Note	29-Jul-15	31-Jan-18	8,307,000.00	0.875%	99.958777%	8,303,575.59	35,941.54	8,339,517.13
			<u>\$8,916,497.83</u>			<u>\$8,925,182.76</u>	<u>\$42,364.12</u>	<u>\$8,967,546.88</u>
			<u>\$9,119,000.00</u>			<u>\$9,128,095.50</u>	<u>\$42,774.56</u>	<u>\$9,170,870.06</u>

EXHIBIT B

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

**ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS
 FOR THE REFUNDED BONDS
 AS OF JULY 29, 2015**

Payment Date	Rate	Payment For		Total
		Principal Redeemed	Interest	
01-Aug-15			\$203,500.00	\$203,500.00
01-Feb-16			203,500.00	203,500.00
01-Aug-16			203,500.00	203,500.00
01-Feb-17			203,500.00	203,500.00
01-Aug-17			203,500.00	203,500.00
01-Feb-18	5.000%	\$8,140,000.00	203,500.00	8,343,500.00
		<u>\$8,140,000.00</u>	<u>\$1,221,000.00</u>	<u>\$9,361,000.00</u>

EXHIBIT B-1

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

DEBT SERVICE REQUIREMENTS FOR THE REFUNDED BONDS
 ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY
 AS OF JULY 29, 2015

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment
		Principal	Interest	
01-Aug-15			\$203,500.00	\$203,500.00
01-Feb-16			203,500.00	203,500.00
01-Aug-16			203,500.00	203,500.00
01-Feb-17			203,500.00	203,500.00
01-Aug-17			203,500.00	203,500.00
01-Feb-18			203,500.00	203,500.00
01-Aug-18			203,500.00	203,500.00
01-Feb-19			203,500.00	203,500.00
01-Aug-19			203,500.00	203,500.00
01-Feb-20			203,500.00	203,500.00
01-Aug-20			203,500.00	203,500.00
01-Feb-21			203,500.00	203,500.00
01-Aug-21			203,500.00	203,500.00
01-Feb-22			203,500.00	203,500.00
01-Aug-22			203,500.00	203,500.00
01-Feb-23			203,500.00	203,500.00
01-Aug-23			203,500.00	203,500.00
01-Feb-24			203,500.00	203,500.00
01-Aug-24			203,500.00	203,500.00
01-Feb-25			203,500.00	203,500.00
01-Aug-25			203,500.00	203,500.00
01-Feb-26			203,500.00	203,500.00
01-Aug-26			203,500.00	203,500.00
01-Feb-27	5.000%	\$300,000.00	203,500.00	503,500.00
01-Aug-27			196,000.00	196,000.00
01-Feb-28	5.000%	820,000.00	196,000.00	1,016,000.00
01-Aug-28			175,500.00	175,500.00
01-Feb-29	5.000%	860,000.00	175,500.00	1,035,500.00
01-Aug-29			154,000.00	154,000.00
01-Feb-30	5.000%	905,000.00	154,000.00	1,059,000.00
01-Aug-30			131,375.00	131,375.00
01-Feb-31	5.000%	950,000.00	131,375.00	1,081,375.00
01-Aug-31			107,625.00	107,625.00
01-Feb-32	5.000%	1,000,000.00	107,625.00	1,107,625.00
01-Aug-32			82,625.00	82,625.00
01-Feb-33	5.000%	1,050,000.00	82,625.00	1,132,625.00
01-Aug-33			56,375.00	56,375.00
01-Feb-34	5.000%	1,100,000.00	56,375.00	1,156,375.00
01-Aug-34			28,875.00	28,875.00
01-Feb-35	5.000%	1,155,000.00	28,875.00	1,183,875.00
		<u>\$8,140,000.00</u>	<u>\$6,748,750.00</u>	<u>\$14,888,750.00</u>

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

YIELD ON THE REFUNDING BONDS
AS OF JULY 29, 2015

Payment Date	Total Debt Payment (Exhibit C-1)	Callable Premium Bond Adjustments	Adjusted Debt Payment	Present Value at July 29, 2015 Using a Semi-Annually Compounded Yield of 2.89759%
01-Feb-16	\$178,293.13		\$178,293.13	\$175,718.83
01-Aug-16	166,343.75		166,343.75	161,600.71
01-Feb-17	191,343.75		191,343.75	183,233.19
01-Aug-17	165,968.75		165,968.75	156,664.03
01-Feb-18	190,968.75		190,968.75	177,688.11
01-Aug-18	165,593.75		165,593.75	151,877.38
01-Feb-19	190,593.75		190,593.75	172,310.16
01-Aug-19	165,296.88		165,296.88	147,305.85
01-Feb-20	190,296.88		190,296.88	167,162.98
01-Aug-20	165,000.00		165,000.00	142,871.45
01-Feb-21	190,000.00		190,000.00	162,169.14
01-Aug-21	164,703.13		164,703.13	138,570.11
01-Feb-22	189,703.13		189,703.13	157,324.11
01-Aug-22	164,406.25		164,406.25	134,397.82
01-Feb-23	189,406.25		189,406.25	152,623.46
01-Aug-23	164,109.38		164,109.38	130,350.74
01-Feb-24	189,109.38		189,109.38	148,062.90
01-Aug-24	163,812.50		163,812.50	126,425.10
01-Feb-25	193,812.50		193,812.50	147,441.98
01-Aug-25	163,456.25	\$8,155,000.00	8,318,456.25	6,237,853.76
01-Feb-26	193,456.25	(163,100.00)	30,356.25	22,438.49
01-Aug-26	163,100.00	(163,100.00)		
01-Feb-27	493,100.00	(493,100.00)		
01-Aug-27	156,500.00	(156,500.00)		
01-Feb-28	1,006,500.00	(1,006,500.00)		
01-Aug-28	139,500.00	(139,500.00)		
01-Feb-29	1,019,500.00	(1,019,500.00)		
01-Aug-29	121,900.00	(121,900.00)		
01-Feb-30	1,041,900.00	(1,041,900.00)		
01-Aug-30	103,500.00	(103,500.00)		
01-Feb-31	1,058,500.00	(1,058,500.00)		
01-Aug-31	84,400.00	(84,400.00)		
01-Feb-32	1,079,400.00	(1,079,400.00)		
01-Aug-32	64,500.00	(64,500.00)		
01-Feb-33	1,099,500.00	(1,099,500.00)		
01-Aug-33	43,800.00	(43,800.00)		

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

YIELD ON THE REFUNDING BONDS
AS OF JULY 29, 2015

Payment Date	Total Debt Payment (Exhibit C-1)	Callable Premium Bond Adjustments	Adjusted Debt Payment	Present Value at July 29, 2015 Using a Semi-Annually Compounded Yield of 2.89759%
01-Feb-34	1,118,800.00	(1,118,800.00)		
01-Aug-34	22,300.00	(22,300.00)		
01-Feb-35	1,137,300.00	(1,137,300.00)		
	<u>\$13,689,674.41</u>	<u>(\$1,962,100.00)</u>	<u>\$11,727,574.41</u>	<u>\$9,194,090.30</u>

Dated Date: 29-Jul-15

Delivery Date: 29-Jul-15

The above aggregate present value of the future payments equals the following:

Par Value of the Issue	\$8,425,000.00
Net Original Issue Premium	769,090.30
Proceeds on Delivery Date	<u>\$9,194,090.30</u>

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

**REFUNDING BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF JULY 29, 2015**

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Original Issue Premium/ (Discount)	Total Production
		Principal	Interest				
01-Feb-16	2.000%	\$10,000.00	\$168,293.13	\$178,293.13	100.807%	\$80.70	\$10,080.70
01-Aug-16			166,343.75	166,343.75			
01-Feb-17	3.000%	25,000.00	166,343.75	191,343.75	103.362%	840.50	25,840.50
01-Aug-17			165,968.75	165,968.75			
01-Feb-18	3.000%	25,000.00	165,968.75	190,968.75	104.682%	1,170.50	26,170.50
01-Aug-18			165,593.75	165,593.75			
01-Feb-19	2.375%	25,000.00	165,593.75	190,593.75	98.396%	(401.00)	24,599.00
01-Aug-19			165,296.88	165,296.88			
01-Feb-20	2.375%	25,000.00	165,296.88	190,296.88	98.396%	(401.00)	24,599.00
01-Aug-20			165,000.00	165,000.00			
01-Feb-21	2.375%	25,000.00	165,000.00	190,000.00	98.396%	(401.00)	24,599.00
01-Aug-21			164,703.13	164,703.13			
01-Feb-22	2.375%	25,000.00	164,703.13	189,703.13	98.396%	(401.00)	24,599.00
01-Aug-22			164,406.25	164,406.25			
01-Feb-23	2.375%	25,000.00	164,406.25	189,406.25	98.396%	(401.00)	24,599.00
01-Aug-23			164,109.38	164,109.38			
01-Feb-24	2.375%	25,000.00	164,109.38	189,109.38	98.396%	(401.00)	24,599.00
01-Aug-24			163,812.50	163,812.50			
01-Feb-25	2.375%	30,000.00	163,812.50	193,812.50	98.396%	(481.20)	29,518.80
01-Aug-25			163,456.25	163,456.25			
01-Feb-26	2.375%	30,000.00	163,456.25	193,456.25	98.396%	(481.20)	29,518.80
01-Aug-26			163,100.00	163,100.00			
01-Feb-27	4.000%	330,000.00	163,100.00	493,100.00	112.076%	39,850.80	369,850.80
01-Aug-27			156,500.00	156,500.00			
01-Feb-28	4.000%	850,000.00	156,500.00	1,006,500.00	111.610%	98,685.00	948,685.00
01-Aug-28			139,500.00	139,500.00			
01-Feb-29	4.000%	880,000.00	139,500.00	1,019,500.00	111.053%	97,266.40	977,266.40
01-Aug-29			121,900.00	121,900.00			
01-Feb-30	4.000%	920,000.00	121,900.00	1,041,900.00	110.408%	95,753.60	1,015,753.60
01-Aug-30			103,500.00	103,500.00			
01-Feb-31	4.000%	955,000.00	103,500.00	1,058,500.00	109.493%	90,658.15	1,045,658.15
01-Aug-31			84,400.00	84,400.00			
01-Feb-32	4.000%	995,000.00	84,400.00	1,079,400.00	109.039%	89,938.05	1,084,938.05
01-Aug-32			64,500.00	64,500.00			
01-Feb-33	4.000%	1,035,000.00	64,500.00	1,099,500.00	108.588%	88,885.80	1,123,885.80
01-Aug-33			43,800.00	43,800.00			
01-Feb-34	4.000%	1,075,000.00	43,800.00	1,118,800.00	107.959%	85,559.25	1,160,559.25
01-Aug-34			22,300.00	22,300.00			
01-Feb-35	4.000%	1,115,000.00	22,300.00	1,137,300.00	107.513%	83,769.95	1,198,769.95
		<u>\$8,425,000.00</u>	<u>\$5,264,674.41</u>	<u>\$13,689,674.41</u>		<u>\$769,090.30</u>	<u>\$9,194,090.30</u>

EXHIBIT D

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

**YIELD ON THE RESTRICTED SECURITIES
AS OF JULY 29, 2015**

Date	Total Cash Receipts From the Restricted Securities (Exhibit A)	Present Value at July 29, 2015 Using a Semi-Annually Compounded Yield of 0.87845%
31-Jul-15	\$42,837.49	\$42,835.40
31-Jan-16	161,335.32	160,621.97
31-Jul-16	203,652.51	201,865.42
31-Jan-17	203,020.01	200,358.45
31-Jul-17	203,302.51	199,759.85
31-Jan-18	8,343,343.13	8,162,105.79
	<u>\$9,157,490.97</u>	<u>\$8,967,546.88</u>

Total Cost of the Restricted Securities

\$8,967,546.88

EXHIBIT E

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

**ESTIMATED SOURCES AND USES OF FUNDS
AS OF JULY 29, 2015**

Sources of Funds:

Par Value of Bonds	\$8,425,000.00
Net Original Issue Premium	769,090.30
DSF Contribution	203,500.00
Total Sources of Funds	<u><u>\$9,397,590.30</u></u>

Uses of Funds:

Beginning Escrow Account Cash Balance	\$176.82
Cost of the DSF Securities	203,323.18
Cost of the Restricted Securities	8,967,546.88
Underwriter's Discount	63,187.50
Issuance Costs	163,355.92
Total Uses of Funds	<u><u>\$9,397,590.30</u></u>

EXHIBIT D
TO
ESCROW DEPOSIT AGREEMENT
DEFEASANCE REQUIREMENTS

See Exhibit B to Verification Report (Exhibit C attached hereto).

SCHEDULE 1
TO
ESCROW DEPOSIT AGREEMENT

NOTICE OF REDEMPTION

WALTON COUNTY WATER AND SEWERAGE AUTHORITY
REVENUE BONDS (OCONEE-HARD LABOR CREEK RESERVOIR PROJECT),
SERIES 2008
DATED APRIL 2, 2008
("Series 2008 Bonds")

Year	Principal Amount	Interest Rate	CUSIP
2028	\$3,730,000*	5.000%	93342PBX3*
2038	10,845,000*	5.000	93342PBY1*

* Partial refunding and defeasance of 2028 and 2038 maturities as shown in the following table:

Original CUSIP Number	Maturity Date (February 1)	Prior Principal Amount Outstanding	Principal Amount Being Refunded and Defeased	Principal Amount Outstanding After Defeasance	Interest Rate	New CUSIP Number for Refunded Portion	New CUSIP Number for Non-Refunded Portion
93342PBX3	2028	\$3,730,000	\$1,120,000	\$2,610,000	5.00%	93342PCV6	93342PCX2
93342PBY1	2038	\$10,845,000	\$7,020,000	\$3,825,000	5.00%	93342PCW4	93342PCY0

NOTICE IS HEREBY GIVEN to the holders of the above described Series 2008 Bonds maturing on February 1, 2028, with CUSIP number 93342PCV6 and on February 1, 2038, with CUSIP number 93342PCW4 (the "Refunding Bonds") that the Refunded Bonds have been called for redemption prior to maturity. The Refunded Bonds will be called for redemption on February 1, 2018 (the "Redemption Date"). Redemption will be made by payment of the principal amount of each such Refunded Bond, together with interest accrued to the Redemption Date at a redemption price of 100%. From and after February 1, 2018, interest on the Refunded Bonds shall cease to accrue on any lien or interest in or to any pledge of security or collateral for the Refunded Bonds hereby called shall also cease and become null on the Redemption Date.

Since the Refunded Bonds are held under the book-entry system, payment will be made directly to the registered holder.

By: Regions Bank, as Trustee

Dated: _____, 20__

NOTICE

Withholding of 28% of gross redemption proceeds made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003, unless the Trustee has the correct taxpayer identification number (social security number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

NOTE: The Issuer and Trustee shall not be responsible for the use of the CUSIP number(s) selected, or is any representation made as to their correctness indicated in the notice or as printed on any Refunded Bond. They are included solely for the convenience of the holders.