

Walton County Water and Sewerage Authority
Loan/Project No. WS12L21WR

PROMISSORY NOTE

\$20,000,000.00

FOR VALUE RECEIVED, the undersigned (hereinafter referred to as the “**Borrower**”) promises to pay to the order of the Georgia Environmental Finance Authority (hereinafter referred to as the “**Lender**”) at the Lender’s office located in Atlanta, Georgia, or at such other place as the holder hereof may designate, the principal sum of **TWENTY MILLION DOLLARS AND ZERO CENTS (\$20,000,000.00)**, or so much thereof as shall have been advanced hereagainst and shall be outstanding, together with interest on so much of the principal balance of this Note as may be outstanding and unpaid from time to time, calculated at the rate or rates per annum indicated below.

The unpaid principal balance of this Note shall not bear any interest until the earlier of (1) the Completion Date (as defined in the hereinafter defined Loan Agreement) or (2) August 1, 2016. Thereafter, the unpaid principal balance of this Note shall bear interest at a rate per annum equal to one percent (1%), calculated on the basis of a 360-day year consisting of twelve 30-day months.

Accrued interest on this Note, calculated on a simple interest basis, shall be due on December 31, 2052. The unpaid principal balance of this Note shall be due and payable on December 31, 2052.

This Note shall bear interest on any overdue principal and, to the extent permitted by applicable law, on any overdue interest, at the aforesaid rate. The Borrower shall pay a late fee equal to the Lender’s late fee, as published from time to time in the Lender’s fee schedules, for any amount due hereunder that is not paid in full within five (5) days after such payment is due.

All payments or prepayments on this Note shall be applied first to unpaid fees and late fees, then to interest accrued on this Note through the date of such payment or prepayment, and then to principal.

The Borrower may prepay the principal balance of this Note in whole or in part at any time without premium or penalty.

This Note constitutes the Promissory Note issued under and pursuant to and is entitled to the benefits and subject to the conditions of a Loan Agreement (the “**Loan Agreement**”), dated this date, between the Borrower and the Lender, to which Loan Agreement reference is hereby made for a description of the circumstances under which principal shall be advanced under this Note. Reference is hereby made to the Loan Agreement for a description of the security for this Note and the options and obligations of the Borrower and the Lender hereunder. Upon an Event of Default (as defined in the Loan Agreement), the entire principal of and interest on this Note may be

declared or may become immediately due and payable as provided in the Loan Agreement.

The obligation of the Borrower to make the payments required to be made under this Note and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Borrower, as provided in the Loan Agreement, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, counterclaim, or recoupment, except for payment, it may otherwise have against the Lender.

In case this Note is collected by or through an attorney-at-law, all costs of such collection incurred by the Lender, including reasonable attorney's fees, shall be paid by the Borrower.

Time is of the essence of this Note. Demand, presentment, notice, notice of demand, notice for payment, protest, and notice of dishonor are hereby waived by each and every maker, guarantor, surety, and other person or entity primarily or secondarily liable on this Note. The Lender shall not be deemed to waive any of its rights under this Note unless such waiver be in writing and signed by the Lender. No delay or omission by the Lender in exercising any of its rights under this Note shall operate as a waiver of such rights, and a waiver in writing on one occasion shall not be construed as a consent to or a waiver of any right or remedy on any future occasion.

This Note shall be governed by and construed and enforced in accordance with the laws of the State of Georgia (without giving effect to its conflicts of law rules). Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

Words importing the singular number hereunder shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders. The word "Lender" as used herein shall include transferees, successors, and assigns of the Lender, and all rights of the Lender hereunder shall inure to the benefit of its transferees, successors, and assigns. All obligations of the Borrower hereunder shall bind the Borrower's successors and assigns.

SIGNED, SEALED, AND DELIVERED by the undersigned Borrower as of the 18th
day of January, 2013.

WALTON COUNTY WATER AND SEWERAGE
AUTHORITY

APPROVED AS TO FORM:

By: Chapman
Borrower's Attorney

Signature: Robert J. Kissel

Print Name: ROBERT J. KISSEL

Title: CHAIRMAN



(SEAL)
Attest Signature: Shirlene Huff

Print Name: Shirlene Huff

Title: Secretary

