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October 18, 2016

Walton County Water and Sewerage  
Authority  
Loganville, Georgia

Regions Bank, as trustee  
Atlanta, Georgia

Oconee County, Georgia  
Watkinsville, Georgia

Stifel Nicolaus & Company, Inc.  
Atlanta, Georgia

Re: \$9,465,000 Walton County Water and Sewerage Authority (Georgia)  
Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series  
2016

To the Addressees:

We have acted as Bond Counsel in connection with the issuance by the Walton County Water and Sewerage Authority (the "Authority") of its \$9,465,000 in aggregate principal amount Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2016 (the "Series 2016 Bonds"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion, including a copy of the validation proceeding concluded in the Superior Court of Walton County, Georgia, with respect to the Series 2016 Bonds and certain other obligations. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

The Series 2016 Bonds are being issued pursuant to an Act of the General Assembly of Georgia (Ga. L. 1972, p. 3623 *et seq.*), as amended from time to time and the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 *et seq.*), as amended (collectively, the "Act"), a resolution of the Authority adopted on September 13, 2016 (the "Bond Resolution"), and a Trust Indenture, dated as of April 1, 2008 (the "Original Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2008 (the "First Supplemental Indenture"), as supplemented by a Second Supplemental Trust Indenture, dated as of July 1, 2015 (the "Second Supplemental Indenture"), and as supplemented by a Third Supplemental Trust Indenture, dated as of October 1, 2016 (the "Third Supplemental Indenture" and, together with the Original Indenture, the First Supplemental Indenture, and the Second Supplemental Indenture, the

“Indenture”), between the Authority and Regions Bank, as trustee (the “Trustee”). The Series 2016 Bonds are being sold to Stifel Nicolaus & Company, Inc. (the “Underwriter”) pursuant to a Bond Purchase Agreement, dated September 13, 2016 (the “Purchase Agreement”), between the Authority and the Underwriter.

The Series 2016 Bonds are being issued for the purpose of (i) refunding all of the outstanding Walton County Water and Sewerage Authority (Georgia) Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008, (ii) financing or refinancing a portion of the cost of acquiring, constructing, installing and equipping storage and transmission facilities related to the Hard Labor Creek reservoir, and (iii) issuing the Series 2016 Bonds.

The Authority and Oconee County, Georgia (the “County”) have entered into an Intergovernmental Contract - Hard Labor Creek 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, as supplemented by a Second Supplement to Intergovernmental Contract-Reservoir Project, dated July 1, 2015, and as supplemented by a Third Supplement to Intergovernmental Contract-Reservoir Project, dated October 1, 2016 (collectively, the “Contract”), under which, in exchange for the provision of certain services and facilities by the Authority, the County has agreed to pay to the Authority amounts sufficient to pay debt service on the Series 2016 Bonds. Pursuant to the Contract, the County has agreed to levy a tax, unlimited as to rate or amount, on all property in the County subject to taxation for maintenance or operation purposes in order to pay its obligations under the Contract. Under the Indenture, the Authority has assigned to the Trustee and pledged to the payment of the Series 2016 Bonds the trust estate (the “Trust Estate”) which includes (i) all right, title and interest of the Authority to receive payments from the County under the Contract and to bring actions and proceedings thereunder or for the enforcement thereof, and (ii) all moneys and securities held by the Trustee or any other depositaries in any and all of the funds and accounts established under the Indenture. The Series 2016 Bonds are subject to registration of transfer and exchange and to optional and mandatory sinking fund redemption at the times, in the amounts and on the terms specified in the Indenture.

As to questions of fact material to our opinion, we have relied upon (i) representations of the Authority, the County and Walton County, Georgia, (ii) certified proceedings and other certifications of public officials furnished to us, and (iii) representations of the Authority and the County relating to, among other things, the use of the proceeds of the Series 2016 Bonds, the design, scope, function, cost and reasonably expected weighted average economic life of the Reservoir Project (as defined in the Indenture) without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement, dated September 7, 2016 or the Official Statement dated September 13, 2016 (collectively, the “Official Statement”) relating to the Series 2016 Bonds or any other offering material relating to the Series 2016 Bonds, and we express no opinion relating thereto. We express no opinion as to compliance by

October 18, 2016

Page 3 of 4

the Authority or the Underwriter with any federal or state statute, rule or regulation which may be applicable to the offer or sale of the Series 2016 Bonds.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law as follows:

1. The Authority is a duly created and validly existing public body corporate and politic of the State of Georgia with full power and authority (a) to issue and sell the Series 2016 Bonds, (b) to use the proceeds from the sale of the Series 2016 Bonds for the purposes described in the Indenture and (c) to execute, deliver and perform its obligations under the Indenture and the Contract.

2. The Indenture has been duly authorized, executed and delivered by the Authority and constitutes a valid and binding obligation of the Authority enforceable upon the Authority. The Indenture creates a valid security interest or lien on the Trust Estate pledged to the payment of the Series 2016 Bonds.

3. The Contract has been duly authorized, executed and delivered by the Authority and the County and constitutes a valid and binding obligation of the parties thereto enforceable upon such parties.

4. The Series 2016 Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority, secured by the Indenture and payable by the Authority solely from the Trust Estate pledged to the payment of the Series 2016 Bonds.

5. Under existing statutes, rulings and court decisions, and under applicable regulations and proposed regulations, the interest on the Series 2016 Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on, or ownership of, the Series 2016 Bonds. In rendering this opinion, we have assumed continuing compliance by the Authority and the County with their covenants regarding certain requirements of the Code that must be satisfied subsequent to the issuance of the Series 2016 Bonds in order that the interest on the Series 2016 Bonds be, and continue to be, excluded from gross income for federal income tax purposes. Failure to comply with such covenants could cause interest on the Series 2016 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2016 Bonds.

6. Under existing statutes, the interest on the Series 2016 Bonds is exempt from all present State of Georgia income taxation.

October 18, 2016

Page 4 of 4

The rights of the owners of the Series 2016 Bonds and the enforceability of the Series 2016 Bonds, the Indenture and the Contract may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights generally and principles of equity applicable to the availability of specific performance or other equitable relief. We have not undertaken to notify any addressee of this opinion or any other person of any change in law or fact after the date of this opinion which might affect any of the opinions expressed herein.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: 

A Partner