
GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

(a public corporation duly created and
existing under the laws of
the State of Georgia)
as Lender

and

WALTON COUNTY WATER AND SEWERAGE AUTHORITY

(a public body corporate and politic duly created and existing
under the laws of the State of Georgia)
as Borrower

THIRD MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT

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THIS THIRD MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT (this "Third Modification") dated July 6, 20 23, by and between **WALTON COUNTY WATER AND SEWERAGE AUTHORITY**, a Georgia public body corporate and politic (the "Borrower"), and the **GEORGIA ENVIRONMENTAL FINANCE AUTHORITY**, a Georgia public corporation (the "Lender").

Statement of Facts

A. The Lender and the Borrower are parties to that certain Loan Agreement, dated **NOVEMBER 3, 2014**, as amended prior to the date hereof (as so amended, the "Loan Agreement"; all capitalized terms used in this Third Modification but not defined herein have the meanings given in the Loan Agreement), pursuant to which the Lender made a loan to the Borrower in accordance with the terms and conditions thereof. The Borrower's obligation to repay such loan is evidenced by that certain Promissory Note, dated **OCTOBER 28, 2014**, as amended prior to the date hereof (as so amended, the "Note").

B. The Lender and the Borrower desire to modify the Loan Agreement and Note in certain respects in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender and the Borrower further agree as follows:

Statement of Terms

1. Amendments of Note - Subject to the fulfillment of the conditions precedent to the effectiveness of this Third Modification that are set forth below, the Note is hereby amended as follows:

"Prior to the Payment Commencement Date, the unpaid principal balance of this Note shall bear simple interest calculated based on the actual number of days in the year and actual days elapsed at a rate per annum equal to (1) **ZERO PERCENT (0%)** until February 1, 2018 and (2) if the Payment Commencement Date does not occur prior to February 1, 2018, then **ONE PERCENT (1.00%)** until the Payment Commencement Date. The cumulative interest accrued, if any, shall be capitalized and added to the principal amount of this Note as of the Payment Commencement Date.

The "**Payment Commencement Date**" shall be the first day of the calendar month following the earlier of (1) the occurrence of the Completion Date for the Project or (2) **JULY 1, 2025**.

Following the Payment Commencement Date and through the Maturity Date, the unpaid principal balance of this Note shall bear interest calculated based on a 360-day year consisting of twelve 30-day months at a rate per annum equal to **TWO PERCENT (2.00%)**.

Accrued interest on this Note shall be payable monthly on the first day of each calendar month, commencing on the Payment Commencement Date and continuing until the first day of the calendar month that is Five (5) years after the Payment Commencement Date (the "**Amortization Commencement Date**").

Thereafter, Principal of and interest on this Note shall be payable in Four Hundred Nineteen (419) consecutive monthly installments equal to the Installment Amount (as hereinafter defined), commencing on the first day of the calendar month following the Amortization Commencement Date, and continuing to be due on the first day of each succeeding calendar month thereafter, together with a final installment equal to the entire remaining unpaid principal balance of and all accrued interest on this Note, which shall be due and payable on the date that is Forty (40) years after the Payment Commencement Date (the "**Maturity Date**")."

2. Amendments of Loan Agreement - Subject to the fulfillment of the conditions precedent to the effectiveness of this Third Modification that are set forth below, the Loan Agreement is hereby amended as follows:

Section 2 (a) of the Loan Agreement is hereby amended and restated to read as follows: "The Lender agrees to advance to the Borrower, on or prior to the earlier of (1) the Completion Date (as hereinafter defined), (2) **JULY 1, 2025**, or (3) the date that the loan evidenced by this Note is fully disbursed, the Loan in a principal amount of up to **\$12,000,000** which Loan may be disbursed in one or more advances but each such disbursement shall reduce the Lender's loan commitment hereunder and any sums advanced hereunder may not be repaid and then re-borrowed."

Page 3 of 3 of Exhibit A is amended and restated to read as written in the attached Exhibit A.

3. No Other Waivers or Amendments - Except for the amendments expressly set forth and referred to in Section 1 and 2 above, the Note and the Loan Agreement shall remain unchanged and in full force and effect. Nothing in this Third Modification is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the obligations created by the Note.

4. Representations and Warranties - To induce the Lender to enter into this Third Modification, the Borrower does hereby warrant, represent, and covenant to the Lender that: (a) each representation or warranty of the Borrower set forth in the Loan Agreement is hereby restated and reaffirmed as true and correct on and as of the date hereof as if

such representation or warranty were made on and as of the date hereof (except to the extent that any such representation or warranty expressly relates to a prior specific date or period), and no Event of Default has occurred and is continuing as of this date under the Loan Agreement; and (b) the Borrower has the power and is duly authorized to enter into, deliver, and perform this Third Modification, and this Third Modification is the legal, valid, and binding obligation of the Borrower enforceable against it in accordance with its terms.

5. Conditions Precedent to Effectiveness of this Third Modification - The effectiveness of this Third Modification is subject to the truth and accuracy in all material respects of the representations and warranties of the Borrower contained in Section 4 above and to the fulfillment of the following additional conditions precedent:

- a. the Lender shall have received one or more counterparts of this Third Modification duly executed and delivered by the Borrower; and
- b. the Lender shall have received (1) a signed opinion of counsel to the Borrower, substantially in the form of Exhibit E attached hereto, and (2) a certified copy of the resolution adopted by the Borrower's governing body, substantially in the form of Exhibit F attached hereto.

6. Counterparts - This Third Modification may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Third Modification to be duly executed and delivered as of the date specified at the beginning hereof

WALTON COUNTY WATER AND SEWERAGE AUTHORITY

Approved as to form:

By: Charles M. Fry, Jr.
Borrower's Attorney

Signature: Brad Johnson
Print Name: BRAD JOHNSON
Title: CHAIRMAN



(SEAL)
Attest Signature: Jeffrey C. Robertson
Print Name: Jeffrey C. Robertson
Title: Secretary

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Signature: Hunter Hill
Hunter Hill
Executive Director

(SEAL)

DESCRIPTION OF THE PROJECT

PROJECT SCHEDULE

Recipient: WALTON COUNTY WATER AND SEWERAGE AUTHORITY

Loan Number: WS12L20WR

ACTION	DATE
Complete Project Planning	2008
Initiated Design	2008
Plans and Specs Submitted to EPD	2009
Bid Opening (first component)	NOVEMBER 2012
Notice of Award (first component)	DECEMBER 2012
Notice to proceed with construction (first component)	FEBRUARY 2013
Initiation of construction (first component)	FEBRUARY 2013
Completion of construction (final component)	MARCH 2025

July 3, 2023

p (770) 267-3000
atkinsonferguson.com

Georgia Environmental Finance Authority
233 Peachtree Street, N.E.
Harris Tower, Suite 900
Atlanta, GA 30303-1506

Ladies and Gentlemen:

A legal opinion from Atkinson Ferguson LLC was delivered to you, dated October 23, 2014 (the "Closing Opinion), relating to the Loan Agreement (the "Loan Agreement"), dated November 3, 2014 between WALTON COUNTY WATER AND SEWERAGE AUTHORITY (the "Borrower") and the Georgia Environmental Finance Authority (the "Lender"), and the Promissory Note (the "Note"), dated October 28, 2014, of the Borrower. A legal opinion was also delivered to you dated August 22, 2016, relating to the modification of the Promissory Note and Loan Agreement dated September 1, 2016. A legal opinion from Atkinson Ferguson, LLC was also delivered to you dated September 18, 2019 related to the second modification of Promissory Note and Loan Agreement dated September 25, 2019. As counsel for the Borrower, I have examined the original of the Third Modification of Promissory Note and Loan Agreement (the "Third Modification"), between the Borrower and the Lender, the proceedings taken by the Borrower to authorize the Third Modification, the Closing Opinion, and such other documents, records, and proceedings as I have deemed relevant or material to render this opinion. Based upon such examination, I hereby reconfirm as of the date hereof the opinions contained in the Closing Opinion, subject to the third modification that all references to the Note and the Loan Agreement (as defined in the Closing Opinion) shall be deemed to include a reference to the Third Modification. Nothing has come to my attention, after due investigation, that in any way might question the continuing validity and accuracy of the Closing Opinion, as modified above.

Very truly yours,

ATKINSON FERGUSON, LLC



Charles M. Ferguson, Jr.

EXTRACT OF MINUTES
RESOLUTION OF GOVERNING BODY

Recipient: WALTON COUNTY WATER AND SEWERAGE AUTHORITY

Loan Number: WS12L20WR

At a duly called meeting of the governing body of the Borrower identified above (the "Borrower") held on the 27th day of June, 2023, the following resolution was introduced and adopted.

WHEREAS, the Borrower has borrowed \$12,000,000 from the **GEORGIA ENVIRONMENTAL FINANCE AUTHORITY** (the "Lender"), pursuant to the terms of the Loan Agreement (the "Loan Agreement"), dated **NOVEMBER 3, 2014**, between the Borrower and the Lender; and

WHEREAS, the Borrower's obligation to repay the loan made pursuant to the Loan Agreement is evidenced by a Promissory Note (the "Note"), dated **OCTOBER 28, 2014**, of the Borrower; and

WHEREAS, the Borrower and the Lender have determined to amend and modify the Note and the Loan Agreement, pursuant to the terms of a Third Modification of Promissory Note and Loan Agreement (the "Third Modification") between the Borrower and the Lender, the form of which has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Borrower that the form, terms, and conditions and the execution, delivery, and performance of the Third Modification are hereby approved and authorized.

BE IT FURTHER RESOLVED by the governing body of the Borrower that the terms of the Third Modification are in the best interests of the Borrower, and the governing body of the Borrower designates and authorizes the following persons to execute and deliver, and to attest, respectively, the Third Modification, and any related documents necessary to the consummation of the transactions contemplated by the Third Modification.

[Signature]
(Signature of Person to Execute Documents)

CHAIRMAN
(Print Title)

[Signature]
(Signature of Person to Attest Documents)

Secretary
(Print Title)

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect.

Date 06/27/23

[Signature]
Secretary/Clerk

