DRAFT DATE: 08/18/26

BOND RESOLUTION

RESOLUTION OF THE WALTON COUNTY WATER AND SEWERAGE AUTHORITY TO PROVIDE FOR THE ISSUANCE OF ITS REVENUE BONDS (WALTON COUNTY WATER SYSTEM PROJECTS), SERIES 2026, IN THE AGGREGATE PRINCIPAL AMOUNT OF $_________________, TO PROVIDE FUNDS TO (I) FINANCE THE COST OF ACQUIRING, CONSTRUCTING AND INSTALLING A WATER PLANT EXPANSION, TRANSMISSION LINES AND OTHER ADDITIONS, EXTENSIONS AND EXPANSIONS OF THE COUNTY'S WATER SYSTEM, AND (II) PAY THE COSTS OF ISSUING THE SERIES 2026 BONDS; TO PROVIDE FOR THE ISSUANCE UNDER CERTAIN TERMS AND CONDITIONS OF ADDITIONAL BONDS; TO PROVIDE FOR THE CREATION AND MAINTENANCE OF CERTAIN FUNDS; TO PROVIDE REMEDIES FOR THE HOLDERS OF THE BONDS ISSUED HEREUNDER; TO AUTHORIZE AND APPROVE THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT WITH WALTON COUNTY, GEORGIA; AND FOR OTHER RELATED PURPOSES.

Adopted on

September 1, 2026

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BOND RESOLUTION

RESOLUTION OF THE WALTON COUNTY WATER AND SEWERAGE AUTHORITY TO PROVIDE FOR THE ISSUANCE OF ITS REVENUE BONDS (WALTON COUNTY WATER SYSTEM PROJECTS), SERIES 2026, IN THE AGGREGATE PRINCIPAL AMOUNT OF $________________, TO PROVIDE FUNDS TO (I) FINANCE THE COST OF ACQUIRING, CONSTRUCTING AND INSTALLING A WATER PLANT EXPANSION, TRANSMISSION LINES AND OTHER ADDITIONS, EXTENSIONS AND EXPANSIONS OF THE COUNTY'S WATER SYSTEM, AND (II) PAY THE COSTS OF ISSUING THE SERIES 2026 BONDS; TO PROVIDE FOR THE ISSUANCE UNDER CERTAIN TERMS AND CONDITIONS OF ADDITIONAL BONDS; TO PROVIDE FOR THE CREATION AND MAINTENANCE OF CERTAIN FUNDS; TO PROVIDE REMEDIES FOR THE HOLDERS OF THE BONDS ISSUED HEREUNDER; TO AUTHORIZE AND APPROVE THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT WITH WALTON COUNTY, GEORGIA; AND FOR OTHER RELATED PURPOSES.

WHEREAS, the Walton County Water and Sewerage Authority (the "Authority") was duly created and is validly existing pursuant to an act of the General Assembly of the State of Georgia (Ga. L. 1972, p. 3623 et seq.), as thereafter amended (the "Act") and owns a water system in Walton County, Georgia (the "County") (as it now exists and as it may be hereafter added to, extended, improved and equipped, the "System"); and

WHEREAS, under the Act and the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq*., as amended), the Authority has, with the consent of the County, among others, the power: (a) to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of (i) any "undertaking" including systems, plants, works, instrumentalities, and properties used or useful in connection with the obtaining of a water supply and the conservation, treatment, and disposal of water for public and private uses, and used or useful in connection with the collection, treatment, and disposal of sewage, waste, and storm water; together with all parts of any such undertaking and all appurtenances thereto, including lands, easements, rights in land, water rights, contract rights, franchises, approaches, dams, reservoirs, generation stations, sewage disposal plants, intercepting sewers, trunk connection and other sewer and water mains, filtration works, pumping stations, and equipment, and (ii) any project (as authorized by the Act), which includes the acquisition, construction and equipping of water facilities for obtaining one or more sources of water supply, the treatment of water and the distribution and sale of water to users and consumers, including, but not limited to, the State of Georgia and counties and municipalities for the purpose of resale, within and without the territorial boundaries of the County, and additions and improvements to and extensions of such facilities and the operation and maintenance of same so as to assure an adequate water system; and (b) to make and execute contracts and other instruments necessary to exercise the powers of the Authority; and (c) to issue revenue bonds to refund any previously issued revenue bonds issued for the purpose of paying, in whole or in part, the cost of any project or undertaking; and

WHEREAS, pursuant to the Constitution and laws of the State of Georgia, the County is authorized and permitted to provide water and sewerage services to the citizens of the County or to contract with the Authority for such purpose; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State of Georgia to contract, for a period not exceeding fifty (50) years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Authority proposes to acquire, construct and install a water plant expansion, transmission lines and other additions, extensions and expansions of the County's water system (the "Projects"); and

WHEREAS, after careful study and investigation, the Authority proposes to issue its Revenue Bonds (Walton County Water System Projects), Series 2026, in the aggregate principal amount of $_________________ (the "Series 2026 Bonds") for the purpose of providing funds to (a) finance the acquisition, construction and installation of the Projects, and (b) pay the costs of issuing the Series 2026 Bonds; and

WHEREAS, the Authority and the County propose to enter into an Intergovernmental Contract (the "Contract"), pursuant to which the Authority will agree, among other things, to issue the Series 2026 Bonds for the purpose of providing funds to acquire, construct and install the Projects and to provide the System facilities to the County, and the County will agree to make Contract Payments in stated amounts which are sufficient to pay when due the principal of and interest on the Series 2026 Bonds (the "Contract Payments"); and

WHEREAS, the Series 2026 Bonds will be secured by a first lien on the Contract and the Contract Payments; and

WHEREAS, the Authority proposes to authorize the use and distribution of a Preliminary Official Statement relating to the Series 2026 Bonds (the "Preliminary Official Statement"), authorize the execution, delivery and use of an Official Statement relating to the Series 2026 Bonds (the "Official Statement") and "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission; and

WHEREAS, the Authority proposes to enter into a Bond Purchase Agreement, (the "Bond Purchase Agreement"), by and among the Authority, the County and Stifel Nicolaus & Company, Incorporated, Atlanta, Georgia (the "Underwriter"), providing for the sale of the Series 2026 Bonds to the Underwriter; and

NOW, THEREFORE, BE IT RESOLVED, by the Walton County Water and Sewerage Authority, and it is hereby resolved by authority of same, as follows:

(1) Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

(2) Findings. It is hereby ascertained, determined and declared that:

(a) The acquisition, construction and installation of the Projects are a lawful and valid public purpose in that it will further the public purposes to be served by the Act;

(b) the specified payments to be received by the Authority under the Contract will be fully sufficient to pay the principal of and interest on the Series 2026 Bonds as the same become due and payable; and

BE IF FURTHER RESOLVED, as follows:

ARTICLE I.

DEFINITIONS

In addition to the terms hereinabove defined, whenever the following terms are used in this Bond Resolution, the same, unless the context shall clearly indicate another or different meaning or intent, shall be construed or used and are intended to have the meaning set forth in the Contract or set forth below:

"Act" means the act of the General Assembly of the State of Georgia (Ga. L. 1972, p. 3623 et seq.), as thereafter amended.

"Additional Bonds" means any revenue bonds of the Authority ranking on a parity with the Series 2026 Bonds which may hereafter be issued pursuant to Section 2.10 hereof.

"Agent Member" means a member of, or participant in, the Securities Depository.

"Authority" means the Walton County Water and Sewerage Authority and its successors and assigns.

"Beneficial Owners" shall mean the owners of a beneficial interest in the Series 2026 Bonds registered in Book-Entry Form.

"Bond Registrar" means initially Regions Bank, Atlanta, Georgia, and its successors and assigns or any successor commercial bank or banks appointed by the Authority and approved by the County to serve as bond registrar, in accordance with the terms of this Bond Resolution and any supplemental resolution, for any series of Bonds secured by this Bond Resolution.

"Bond Resolution" means this Bond Resolution, as same may be supplemented from time to time.

"Bondholders" and "owners" mean the registered owners of the outstanding Bonds.

"Bonds" means the Series 2026 Bonds and any Additional Bonds authorized by and issued pursuant to this Bond Resolution.

"Book-Entry Form" or "Book-Entry System" shall mean, with respect to the Series 2026 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Series 2026 Bonds and bond service charges may be transferred only through book entry and (ii) physical Series 2026 Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Series 2026 Bonds in the custody of a Securities Depository.

"Business Day" means a day which is not (a) a Saturday, a Sunday or a legal holiday on which banking institutions in the State of Georgia or the State of New York are authorized by law or executive order to close or (b) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to close.

“Code” means the Internal Revenue Code of 1986, as amended and any applicable regulations thereunder.

“Contract” means the Intergovernmental Contract, between the Authority and the County, with respect to the Bonds, as the same from time to time may be amended.

“Contract Payments” means the payments which are to be received by the Authority pursuant to Section 4.2 of the Contract, which are equal to the amounts sufficient to enable the Authority to pay the principal of and interest on the Bonds as the same become due, the County shall receive a credit against any required Contract Payment to the extent moneys are on deposit in the Sinking Fund and available to pay the principal of and interest on the Bonds coming due on the next succeeding February 1 or August 1, as the case may be. In addition to the foregoing, each Contract Payment shall include the charges as billed specified in subparagraphs (e) and (f) of Section 5.03 of this Bond Resolution and any deficit in any preceding Contract Payment.

“Cost of Issuance Fund” means the Walton County Water and Sewerage Authority Cost of Issuance Fund, Series 2026 created pursuant to Section 4.02 of this Bond Resolution.

“Cost of Issuance Fund Depository” means initially Regions Bank, Atlanta, Georgia, and its successors and assigns, or any successor cost of issuance fund depository hereafter appointed by the Authority and approved by the County; provided, however, the Cost of Issuance Fund Depository shall at all times be a commercial bank or trust company.

“County” means Walton County, Georgia and its successors or assigns.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or its nominee, or any other person, firm, association or corporation designated in any resolution of the Authority supplemental hereto to serve as securities depository for a series of Bonds.

“Fiscal Year” means the period commencing on the 1st day of July in each calendar year and extending through the 30th day of June of the following year, or such other period as shall hereafter be adopted by the County as herein provided.

“Government Obligations” means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder.

“Interest Payment Date” means the 1st day of each February and August of each year.

"Paying Agent" means initially Regions Bank, Atlanta, Georgia, and its successors and assigns, or any successor commercial bank or banks appointed by the Authority and approved by the County to serve as paying agent, in accordance with the terms of this Bond Resolution and any supplemental resolution, for any series of Bonds secured by this Bond Resolution.

"Permitted Investments" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

(1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(2) Bonds or obligations of such county, municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(3) Bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(4) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(5) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(6) Certificates of deposit of national or state banks located within this state which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within this state which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia

Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within this state or with a trust office within this state, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies and instrumentalities of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) The portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (3) and (4) above and repurchase agreements fully collateralized by any such obligations;

(B) Such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) Such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) Securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least $50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least $50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

(9) any other investments authorized by the laws of the State of Georgia.

"Projects" mean a water plant expansion, transmission lines and other additions, extensions and expansions of the County's water system financed with the proceeds of the Series 2026 Bonds (described more fully in the Project Report.)

"Project Fund" means the Walton County Water & Sewerage Authority Project Fund – Walton County Water System Projects, Series 2026 created in Section 4.02 of this Bond Resolution.

"Project Fund Custodian" means the commercial bank or trust company to be appointed by the Authority and approved by the County prior to the issuance and delivery of the Series 2026 Bonds or any successor project fund custodian hereafter appointed by the Authority and approved by the County; provided, however, the Project Fund Custodian shall at all times be a commercial bank or trust company.

"Project Report" means the project report prepared by the County in connection with the Projects which is on file with the Chief Financial Officer of the County.

"Record Date" means the fifteenth day of the month next preceding the Interest Payment Date.

"Securities Depository" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

"Series 2026 Bonds" means the $_________________ in aggregate principal amount of Walton County Water and Sewerage Authority Revenue Bonds (Walton County Water System Projects), Series 2026, authorized to be issued pursuant to Article II of this Bond Resolution.

"Sinking Fund" shall mean the Walton County Water and Sewerage Authority Sinking Fund – Walton County Water System Projects, Series 2026 created in Section 5.01 of this Bond Resolution.

"Sinking Fund Custodian" means initially Regions Bank, Atlanta, Georgia, and its successors and assigns, or any successor sinking fund custodian hereafter appointed by the Authority and approved by the County; provided, however, the Sinking Fund Custodian shall at all times be a commercial bank or trust company.

"Sinking Fund Investments" shall mean (a) obligations of the United States and its agencies and instrumentalities unconditionally guaranteed by the United States, (b) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation, provided, however, that the portion of such certificates of deposit in excess of the amount insured by the

Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured, and (c) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated.

"Sinking Fund Year" shall mean the period commencing on the 2nd day of February in each year and extending through the 1st day of February in the next year.

Whenever used in this Bond Resolution, the singular shall include the plural and the plural shall include the singular, unless the context otherwise indicates.

[END OF ARTICLE I]

ARTICLE II.

AUTHORIZATION AND TERMS OF SERIES 2026 BONDS; AND FORM AND REGISTRATION OF SERIES 2026 BONDS

Section 2.01 Authorization of Series 2026 Bonds.

There are hereby authorized to be issued the Series 2026 Bonds designated as the "Walton County Water and Sewerage Authority Revenue Bonds (Walton County Water System Projects), Series 2026" in the aggregate principal amount of $_________________. The Series 2026 Bonds are authorized to be issued for the purpose of providing funds to finance, in whole or in part, the cost of (a) financing the acquisition, construction and installation of the Projects and (b) paying the costs of issuing the Series 2026 Bonds.

The Series 2026 Bonds shall be payable solely from the Contract Payments. All of the covenants, agreements and provisions of this Bond Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds issued hereunder.

Section 2.02 Terms of Series 2026 Bonds.

The Series 2026 Bonds shall be dated as of their date of issuance, shall be in the form of fully registered bonds without coupons, shall be in the denomination of $5,000 or any integral multiple thereof, shall be transferable to subsequent owners as hereinafter provided, shall be numbered R-1 upward, shall bear interest (based on a 360-day year comprised of twelve thirty-day months) from the Interest Payment Date (hereinafter defined) next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from the date of issuance and delivery). The interest shall be payable on the 1st days of February and August in each year (each such date an "Interest Payment Date"), and the principal shall mature on the 1st day of August.

The principal amounts of the Series 2026 Bonds maturing on February 1 of each year together with the interest rates on each such maturity are set forth on Schedule 1 hereto.

Unless the Series 2026 Bonds are held in Book-Entry Form, the principal amount of the Series 2026 Bonds shall be payable at maturity, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. Unless the Series 2026 Bonds are held in Book-Entry Form, interest on the Series 2026 Bonds shall be paid on each Interest Payment Date by check or draft mailed by first class mail as provided in Section 2.05 hereof, except that in the case of any owner of Series 2026 Bonds in an aggregate principal amount of at least $1,000,000 who, on or prior to any Record Date, shall supply wire transfer instructions to the Paying Agent, interest due on the Interest Payment Date next succeeding such Record Date shall be payable by wire transfer in accordance with such instructions. While the Series 2026 Bonds are held in Book-Entry Form, the principal and interest on the Series 2026 Bonds shall be payable as provided in Section 2.11 hereof.

Regions Bank, Atlanta, Georgia, is hereby designated as the Paying Agent. The Authority may, from time to time, designate a successor Paying Agent, as approved by the County, provided said Paying Agent complies with all of the provisions of this Article and the applicable provisions of this Bond Resolution.

Section 2.03 Execution of Series 2026 Bonds.

The Series 2026 Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman of the Authority and the official seal of the Authority shall be printed or impressed thereon and attested by the manual or facsimile signature of the Secretary of the Authority. In case any officer who shall have signed or sealed any of the Series 2026 Bonds shall cease to be such officer before the Series 2026 Bonds so signed and sealed have been actually authenticated and delivered, such Series 2026 Bonds shall nevertheless be authenticated and delivered as herein provided and may be issued as though the person who signed or sealed such Series 2026 Bonds had not ceased to be such officer. Any Series 2026 Bonds may be signed and sealed on behalf of the Authority by such persons as shall be the proper officers of the Authority at the actual time of the execution of such Series 2026 Bonds, even if such persons may not have been officers of the Authority at the date of issuance of such Series 2026 Bonds.

Section 2.04 Authentication of Series 2026 Bonds.

Only such Series 2026 Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth executed by an officer or employee of the Authenticating Agent shall be entitled to any right or benefit hereunder. No Series 2026 Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been so executed by the Authenticating Agent, and such executed certificate of the Authenticating Agent upon any such Series 2026 Bond shall be conclusive evidence that such Series 2026 Bond has been authenticated and delivered hereunder. Said certificate of authentication on any Series 2026 Bond shall be deemed to have been executed by the Authenticating Agent if signed by an authorized officer or employee of the Authenticating Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Series 2026 Bonds issued hereunder.

Section 2.05 Medium and Places of Payment.

The principal of and interest on the Series 2026 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 the payment of public and private debts. The principal of the Series 2026 Bonds shall be payable upon the presentation and surrender of the Series 2026 Bonds at the principal corporate trust office of the Paying Agent for the Series 2026 Bonds. Interest on the Series 2026 Bonds shall be paid by check or draft mailed by first class mail on the date on which due by the Paying Agent to the respective owners of the Series 2026 Bonds at their addresses as they appear on the Record Date relating to such Interest Payment Date on the bond register kept by the Bond Registrar, except as provided in Section 2.02 hereof with respect to the Series 2026 Bonds. The Authority may, by supplemental resolution, provide for other methods or places of payment, including wire transfer, as it may deem appropriate in connection with the issuance of any Additional Bonds.

Notwithstanding the foregoing, the Series 2026 Bonds shall be issued in Book-Entry Form and registered in the name of the Securities Depository or its nominee as provided in Section 2.11 hereof. All Series 2026 Bonds may have endorsed thereon such legends, text or identification numbers as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Series 2026 Bonds may be listed or any usage or requirement of law with respect thereto.

Section 2.06 Registration of Transfer and Exchange of Series 2026 Bonds.

The Bond Registrar of the Authority shall maintain a register for registration of transfer of the Series 2026 Bonds. The Bond Registrar is hereby also designated as Authenticating Agent for purposes of authenticating any Series 2026 Bonds issued hereunder or issued in exchange or in replacement for Series 2026 Bonds previously issued. The Series 2026 Bonds may be registered as transferred only on the bond register of the Bond Registrar with respect to the Series 2026 Bonds. No transfer of any Series 2026 Bond shall be effective for any purpose hereunder except upon presentation and surrender of such Series 2026 Bond at the office of the Bond Registrar with a written assignment signed by the registered owner of such Series 2026 Bond in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Bond Registrar. The Authority, its agents, the Paying Agent and the Bond Registrar may deem and treat the registered owner of any Series 2026 Bond as the absolute owner of such Series 2026 Bond for the purpose of receiving payment of the principal thereof and the interest thereon and for all purposes hereunder, notwithstanding any notice, actual or constructive, to the contrary.

Regions Bank, Atlanta, Georgia, is hereby designated as the Bond Registrar. The Authority may, from time to time, designate a successor Bond Registrar, as approved by the County, provided said Bond Registrar complies with all of the provisions of this Article and the applicable provisions of this Bond Resolution.

Upon surrender for registration of transfer of any Series 2026 Bond at the principal corporate trust office of the Bond Registrar, the Authority shall execute and the Authenticating Agent shall authenticate and deliver to the transferee or transferees a new Series 2026 Bond or Series 2026 Bonds of a like aggregate principal amount of authorized denominations and of like interest rate and maturity. Every Series 2026 Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Authority and the Bond Registrar duly executed by the Bondholder thereof or his attorney duly authorized in writing. The execution by the Authority of any Series 2026 Bond in denomination of $5,000 or any integral multiple thereof shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Series 2026 Bond. No charge shall be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

The inclusion of the foregoing provisions shall constitute a continuing request from the Authority to the Clerk of the Superior Court of Walton County, Georgia, unless the signature of such Clerk shall appear by facsimile, to execute the certificate of validation on any replacement Series 2026 Bond issued.

Notwithstanding the foregoing in this Section, while the Series 2026 Bonds are held in Book-Entry Form, registration of transfers and exchanges shall be made in accordance with the Book-Entry System.

Section 2.07 Mutilated, Destroyed or Lost Series 2026 Bonds.

In case any Series 2026 Bond shall become mutilated or be stolen, destroyed or lost, the Authority may cause to be executed and delivered a new Series 2026 Bond of like type, date and tenor in exchange and substitution for and upon cancellation of such mutilated Series 2026 Bond, or in lieu of and in substitution for such Series 2026 Bond stolen, destroyed or lost, upon the Bondholder paying the reasonable expenses and charges of the Authority in connection therewith and, in the case of a Series 2026 Bond stolen, destroyed or lost, the filing with the Authority of evidence satisfactory to the Authority and the Paying Agent that such Series 2026 Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the Authority with indemnity satisfactory to the Authority and the Paying Agent. If any such Series 2026 Bond shall have matured, instead of issuing a new Series 2026 Bond therefor, the Authority may pay the same.

Section 2.08 Blank Bonds; Cancellation After Exchange.

The Authority shall make all necessary and proper provisions for the transfer and exchange of the Series 2026 Bonds by the Bond Registrar and the Authority shall deliver or cause to be delivered to the Bond Registrar a sufficient quantity of blank Series 2026 Bonds duly executed on behalf of the Authority, together with the certificate of validation pertaining thereto duly executed by the Clerk of the Superior Court of Walton County, as herein provided, in order that the Bond Registrar shall at all times be able to register and authenticate the Series 2026 Bonds at the earliest practicable time in accordance with the provisions of this Bond Resolution. All Series 2026 Bonds surrendered in any exchange or registration of transfer or Series 2026 Bonds that have been paid shall be forthwith cancelled by the Bond Registrar and a record thereof duly entered in the permanent records pertaining to the Series 2026 Bonds maintained by the Bond Registrar.

Section 2.09 No Preference or Priority.

All Bonds herein authorized to be issued are of equal rank and dignity without preference, priority or distinction as to lien or otherwise as to the Contract and the Contract Payments securing the payment thereof and interest thereon.

Section 2.10 Additional Bonds.

The Authority covenants that no other bonds or obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Contract Payments prior to the lien created for the payment of the Series 2026 Bonds.

It is expressly provided, however, that Additional Bonds or obligations may be issued ranking as to lien on the Contract Payments on a parity with the Series 2026 Bonds herein authorized to be issued, provided the following conditions are met:

(a) There shall be no default in the payment of principal of or interest on any Bond currently existing.

(b) An amendment to the Contract shall have been entered into between the Authority and the County to ensure payment by the County of amounts sufficient to pay the principal of and interest on the Additional Bonds proposed to be issued as the same become due and payable.

(c) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings, among other things, the date such Additional Bonds shall bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions, if any. The interest on the Additional Bonds of any such issue shall fall due on February 1 and August 1 of each year, and the Additional Bonds shall mature in installments on August 1 or February 1, but, as to principal, not necessarily in each year or in equal installments. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Bond Resolution.

Nothing contained herein shall otherwise restrict the issuance by the Authority of (i) other obligations secured by an intergovernmental agreement substantially similar to this Contract, or (ii) obligations not secured by this Contract and which will be secured by a lien on the net revenues of the System or any portion thereof, the proceeds of which may be applied to the payment of the costs of other extensions or improvements to the System or the payment of any other project or purpose which the Authority is authorized under law to undertake.

The Authority specifically acknowledges and agrees that notwithstanding anything in this Section 2.10 to the contrary, the Authority may not borrow any money or issue any Bonds without the consent of the Board of Commissioners of the County.

Section 2.11 Book-Entry Only System.

Upon the initial issuance and delivery of the Series 2026 Bonds, the Series 2026 Bonds shall be issued in the name of DTC or its nominee, Cede & Co., as registered owner of the Series 2026 Bonds, and held in the custody of DTC or its designee. A single certificate (or such number of certificates required by the procedures of DTC) will be issued and delivered to DTC (or its designee) for the Series 2026 Bonds, and the Beneficial Owners will not receive physical delivery of certificates except as provided herein. For so long as DTC shall continue to serve as securities depository for the Series 2026 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2026 Bonds is to receive, hold or deliver any certificate. The Authority, the Bond Registrar and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices.

The Authority, the Bond Registrar and the Paying Agent may rely conclusively upon (i) a certificate of DTC as to the identity of DTC's participants (the "Participants") in the Book-Entry System with respect to the Series 2026 Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2026 Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 2026 Bonds, the beneficial ownership thereof is determined by a Book-Entry System at DTC, the requirements in this Bond Resolution of holding, delivering or transferring Series 2026 Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book-entry Series 2026 Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Series 2026 Bonds shall, while the Series 2026 Bonds are in the Book-Entry System, be satisfied by the notation on the books of DTC in accordance with applicable state law.

Except as otherwise specifically provided in this Bond Resolution and the Series 2026 Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2026 Bonds registered in its name for the purposes of (i) payment of the principal of and interest on the Series 2026 Bonds or portion thereof to be redeemed or purchased, (ii) giving any notice permitted or required to be given to Bondholders under this Bond Resolution, and (iii) the giving of any direction or consent or the making of any request by the Bondholders hereunder, and the Authority shall be effected by any notice to the contrary. The Authority, the Bond Registrar and the Paying Agent will not have any responsibility or obligations to DTC, any Participant, any Beneficial Owner or any other person which is not shown on the Register, with respect to (i) the accuracy of any records maintained by DTC or any Participant; (ii) the payment by DTC or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or Purchase Price of, or interest on, any Series 2026 Bonds; (iii) the delivery of any notice by DTC or any Participant; (iv) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2026 Bonds; or (v) any consent given or any other action taken by DTC or any Participant. The Paying Agent shall pay all principal of and interest on the Series 2026 Bonds registered in the name of a nominee of DTC only to or "upon the order of" DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and interest on such Series 2026 Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Authority, and the Authority will cause the delivery of certificates to such Beneficial Owners of the Series 2026 Bonds and the registration in the names of such Beneficial Owners as shall be specified to the Bond Registrar by DTC in writing, if DTC determines to discontinue providing its service with respect to the Series 2026 Bonds and no successor securities depository is appointed. Such a determination may be made at any time by giving 30 days' notice to the Authority and discharging its responsibilities with respect thereto under applicable law.

In the event the Book-Entry System is discontinued, the Authority, the Paying Agent or the Bond Registrar shall mail a notice to DTC for distribution to the Beneficial Owners stating (1) that DTC will no longer serve as securities depository, (2) the procedures for obtaining Series 2026

Bonds and (3) the provisions of this Bond Resolution which govern the Series 2026 Bonds, including, but not limited to, provisions regarding authorized denominations, registration of transfer and exchange, principal and interest payment and other related matters.

When the Book-Entry System is not in effect, all references herein to DTC shall be of no further force or effect and the Authority shall issue Series 2026 Bonds directly to the Beneficial Owners.

If Series 2026 Bonds are issued as book-entry bonds, the form of said Series 2026 Bonds shall contain the following text:

> *Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the* Walton County Water and Sewerage Authority *(the "*Authority*") or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.*
>
> *The Authority has established a Book-Entry System of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Bond Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.*
>
> *DTC may discontinue providing its services as depository with respect to this Bond at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.*

Section 2.12 Form of Series 2026 Bonds.

The Series 2026 Bonds, the form of assignment, the form of authentication certificate and the certificate of validation shall be in substantially the form in Exhibit A attached hereto, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon, as may be required to comply with any applicable laws or rules or regulations, or as may, consistently herewith, be determined by the officers executing such Series 2026 Bonds, as evidenced by their execution.

[END OF ARTICLE II]

ARTICLE III.

REDEMPTION OF SERIES 2026 BONDS BEFORE MATURITY

Section 3.01 Optional and Mandatory Sinking Fund Redemption.

Optional Redemption. The Series 2026 Bonds maturing on or after February 1, 20___ are redeemable at the option of the Authority, as directed by the County, in whole or in part at any time and in any order of maturity, not earlier than February 1, 20___, from any moneys available therefor, at a redemption price of 100% of principal amount of such bonds, plus accrued interest to the redemption date.

Mandatory Redemption of Series 2026 Bonds. The Series 2026 Bonds maturing on February 1, 20__, are subject to mandatory sinking fund redemption on February 1, 20__, and on each August 1 thereafter to and including February 1, 20__, in the principal amount set forth in the table below (after credit as provided below), at a redemption price equal to 100% of the principal amount to be redeemed plus interest due thereon on such redemption date (the February 1, 20__ amount to be paid rather than redeemed):

February 1 of the Year	Principal Amount

+ Final Maturity

Section 3.02 Method of Redemption.

In the event of a partial redemption of the Series 2026 Bonds, the particular maturity or maturities to be redeemed shall be selected by the Authority as directed by the County. If less than all of the Series 2026 Bonds of a maturity are to be called for redemption, the particular certificates of such maturity or portions thereof in the case of bonds in principal amounts greater than $5,000 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.

Section 3.03 Revised Schedule of Contract Payments.

Upon the partial redemption of any of the Series 2026 Bonds, the Paying Agent shall provide the Authority and the County with an updated schedule of Contract Payments for the coming Fiscal Year which schedule shall take into account such redemption and shall be and become for all purposes thereafter Schedule 1 to the Contract setting forth the Contract Payments.

Section 3.04 Redemption Account.

Moneys to be used for redemption of Series 2026 Bonds shall be deposited in a sub-account in the Sinking Fund, which shall be a special account to be held in trust by the Sinking Fund

Custodian, separate and apart from all other accounts. At such time as any moneys are deposited with the Sinking Fund Custodian for the purpose of redeeming in whole or in part the portion of the principal on the Series 2026 Bonds, the Sinking Fund Custodian shall establish and maintain a separate account in the Sinking Fund for the Authority to be held in its name and designated as the "Redemption Account." Said moneys shall be set aside in the Redemption Account solely for the purpose of redeeming the principal on such Series 2026 Bonds in advance of their maturity dates and shall be applied on the date designated for redemption to the payment of the principal and interest components on the Series 2026 Bonds with respect to the Series 2026 Bonds to be redeemed upon presentation and surrender of such Series 2026 Bonds.

Section 3.05 Notice of Redemption; Deposit of Moneys; Written Designation.

(a) Notice of the call for any redemption, identifying the Series 2026 Bonds (or the portions thereof) to be redeemed and specifying the terms of such redemption, shall be given by the Paying Agent (upon being satisfactorily indemnified as to expenses) by mailing a copy of the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2026 Bond to be redeemed in whole or in part at the address shown on the books of the Bond Registrar maintained pursuant to Section 2.06 hereof; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Series 2026 Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

(b) 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 2026 Bonds called for redemption, which moneys are or will be available for redemption of Series 2026 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.

(c) On or prior to the date fixed for any redemption of Series 2026 Bonds, the moneys required for such redemption shall be deposited with the Paying Agent by the County in accordance with the Contract. All Series 2026 Bonds called for redemption shall cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Paying Agent.

Section 3.06 Effect of Additional Bonds.

In the event Additional Bonds are hereafter issued by the Authority, the Authority covenants and agrees that it will not optionally redeem the Series 2026 Bonds, or any such Additional Bonds, from moneys in the Sinking Fund unless and until the Sinking Fund is at its proper balance. It is expressly understood and agreed that should the Authority hereafter elect to issue Additional Bonds, as herein authorized, it shall have the right to redeem the Bonds of any such future issue or issues before it redeems the Series 2026 Bonds, or it may redeem the Series 2026 Bonds before it redeems the Bonds of any such future issue or issues, or it may redeem some of the Series 2026 Bonds and some of the Bonds or any such future issue or issues at the same time.

[END OF ARTICLE III]

ARTICLE IV.

CUSTODY AND APPLICATION OF PROCEEDS; COST OF ISSUANCE FUND

Section 4.01 Application of Bond Proceeds.

The net proceeds of the sale of the Series 2026 Bonds (par, plus net original issue premium, less underwriter's discount), shall be used and applied as follows:

(1) $________________ shall be deposited into the Project Fund to pay the costs of a portion of the Projects; and

(2) $___________________ shall be deposited into the Cost of Issuance Fund to pay the costs of issuance of the Series 2026 Bonds.

Notwithstanding the foregoing, if the Chairman of the Authority shall determine that a different application of proceeds is required to carry out the purposes of this Bond Resolution, the different application of funds, may be provided for in a supplemental resolution of the Authority or the Chairman may provide for such different application of funds in the authentication order to be delivered at the time of issuance of the Series 2026 Bonds.

Section 4.02 Project Fund.

(a) A special trust fund is hereby created for the benefit of the Bondholders and designated the "Walton Water and Sewerage Authority Project Fund – Walton County Water System Projects, Series 2026." There shall be deposited with the Project Fund Custodian the amount to be specified in Section 4.01 above, and any other funds acquired for this purpose by gift, donation, grant or otherwise. All moneys deposited into the Project Fund shall be held in trust by the Project Fund Custodian separate from other deposits of the Authority and the County.

(b) Unless amended in writing by the Authority and the County, the acquisition, construction, and installation related to the Projects shall be accomplished in accordance, or substantially in accordance, with the Project Report prepared in connection with the Projects, which shall be recorded in the Minute Book of the County, and the Project Report, by this reference thereto, is incorporated herein and made a part hereof.

(c) The moneys in the Project Fund shall be held by the Project Fund Custodian and withdrawn and applied to pay costs of the Projects in accordance with, or substantially in accordance with, the Project Report unless amended in writing by the Authority and the County. Any moneys in the Project Fund not presently needed for the payment of current obligations during the course of construction may be invested in Permitted Investments upon the written direction of an authorized representative of the County, and proper evidence of the same being delivered to the Project Fund Custodian. Any such securities shall be held by the Project Fund Custodian for the account of the Project Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including interest income and premium, if any, shall be immediately deposited into the Project Fund and shall be disbursed in the manner and for the purposes hereinafter set forth.

(d) Withdrawals from the Project Fund may be made for the purpose of paying the cost of the undertaking herein contemplated or contemplated by a supplemental resolution, including the purchase of such property and equipment as may be useful in connection therewith, including, but not limited to: (i) the cost of indemnity and fidelity bonds either to secure deposits in the Project Fund or to insure the faithful completion of any contract pertaining to said improvements; (ii) any taxes or any charges lawfully levied or assessed against the undertaking; (iii) fees and expenses of consulting engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the construction; (iv) legal expenses and fees and all other items of expense not elsewhere in this Section specified incident to said undertaking; (v) payments made for labor, contractors, builders and materialmen in connection with the improvements contemplated by the undertaking and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances or loans made for the purpose of paying any of the aforementioned costs; (vi) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights of way necessary for the improvements and appurtenances in connection therewith, and options and payments thereon, and any easements or rights or any damages incident to or resulting from the making of such improvements; and (vii) to reimburse the Authority or the County for the advance payment of costs pertaining to the undertaking prior to the receipt of the proceeds derived from the sale of the Series 2026 Bonds.

(e) Before any moneys are disbursed, there shall be filed with the Project Fund Custodian: (i) a requisition for such payment stating each amount to be paid, the circumstances of such obligation and the name of the person, firm or corporation to whom payment thereof is due; and (ii) a certificate attached to the requisition and certifying: (1) that an obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been paid; (2) a bill or statement of account for such obligation, or a copy thereof, is attached to the requisition or is on file in the office of the Chief Financial Officer of the County; (3) that they have no notice of any vendor's, mechanic's or other liens or rights to liens, security interests, chattel mortgages or conditional sales contracts, which should be satisfied or discharged before such payment is made; (4) that such requisition contains no item representing payment on account or any retained percentages which the Authority or the County is, at the date of such certificates, entitled to retain; and (5) that insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose. The requisition shall be signed by a duly authorized representative of the Authority and approved by a duly authorized representative of the County. A form of such requisition is attached hereto as <u>Exhibit C</u>.

Section 4.03 <u>Completion of Projects</u>.

If upon the completion of the Projects any moneys remain in the Project Fund, such remaining moneys shall be transferred to the Sinking Fund and shall be used to pay the next occurring principal amount due on the Series 2026 Bonds.

Section 4.04 <u>Cost of Issuance Fund</u>.

There is hereby created by the Authority and ordered established with the Cost of Issuance Depository a special trust fund to be designated "Walton County Water and Sewerage Authority Cost of Issuance Fund, Series 2026." There shall be deposited with the Cost of Issuance Fund Depository, the amounts to be specified in Section 4.01 above, and any other funds acquired for this purpose by gift, donation, grant or otherwise. All moneys deposited into the Cost of Issuance Fund shall be held in trust by the Cost of Issuance Fund Depository separate from other deposits of the Authority and the County.

Section 4.05 Cost of Issuance Fund Requisition Procedure.

All payments from the Cost of Issuance Fund shall be made upon checks signed or bank wires authorized by authorized signatories of the Cost of Issuance Fund Depository, on behalf of the County, or by officers of the County properly authorized to sign on its behalf, but before they shall sign any such checks or authorize any such bank wire there shall be filed with the Cost 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 Cost of Issuance Fund and has not been paid (or is a reimbursement to the County 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. If upon payment of all of the costs of issuance of the Series 2026 Bonds any moneys remain in the Cost of Issuance Fund, such remaining moneys shall be transferred to the Sinking Fund and shall be used to pay the next occurring principal amount due on the Series 2026 Bonds.

[END OF ARTICLE IV]

ARTICLE V.

PLEDGE OF CONTRACT AND CONTRACT PAYMENTS; SINKING FUND; DEFEASANCE

Section 5.01 Pledge of Contract and Contract Payments; Creation of Sinking Fund.

The Contract and the Contract Payments are hereby pledged to the payment of the Bonds, and the Contract and the Contract Payments so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further acts, and the lien of this pledge shall be valid and binding against the Authority and the County and against all parties having claims of any kind against them, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

There is hereby created a special trust fund for the benefit of the owners of the Bonds designated as “Walton County Water and Sewerage Authority Sinking Fund – Walton County Water System Projects, Series 2026” (the “Sinking Fund”). There shall be paid into the Sinking Fund, on or prior to February 1 and August 1 each year, the amount required to pay the Contract Payments. The Contract Payments made by the County pursuant to the Contract (except payments required pursuant to subparagraphs (e) and (f) of Section 5.03 hereof) shall be deposited directly into the Sinking Fund. Moneys deposited in the Sinking Fund shall be used to pay the principal of and interest on the Bonds when due, whether at maturity or by proceedings for mandatory redemption.

Section 5.02 Sinking Fund as a Trust Fund; Investment of Moneys.

The Sinking Fund shall be kept as a trust account for the benefit of the owners of the Bonds separate from other deposits of the Authority and the County. Moneys on deposit in the Sinking Fund shall be invested only in Sinking Fund Investments upon the written direction of the County. Any such securities shall be held by the Sinking Fund Custodian for the account of the Sinking Fund until maturity or until sold. Except as provided below, at the maturity or upon such sale, the proceeds received therefrom, including interest income and premium, if any, shall be immediately deposited into the Sinking Fund and shall be disbursed in the manner and for the purposes herein set forth.

Section 5.03 Sinking Fund Disbursements.

Subject to the terms and conditions set forth in this Bond Resolution, moneys in the Sinking Fund shall be disbursed for (a) the payment of the interest on the Bonds secured hereby as such interest becomes due and payable; (b) the payment of the principal of the Bonds secured hereby as same becomes due and payable, either at maturity or by proceedings for mandatory redemption; (c) the optional or mandatory redemption of Bonds secured hereby before maturity at the price and under the conditions provided therefor in Article III hereof; (d) the purchase of Bonds in the open market; provided, however, the price paid shall not exceed the authorized call price; (e) the payment of charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (f) the payment of any charges for investment services, including, but not limited to the fees of the custodians and depositories.

Section 5.04 Cancellation and Destruction.

All Bonds paid, purchased or redeemed, either at or before maturity, shall be cancelled and destroyed and such Bonds shall not be reissued. A record of such destruction shall be made and preserved in the permanent records of the Bond Registrar pertaining to such Bonds and in the permanent records of the Authority.

Section 5.05 Defeasance.

If (a) the Authority shall pay or cause to be paid to the Bondholders the principal of and the interest to become due thereon at the times and in the manner stipulated therein and herein, (b) all fees, charges and expenses of the Paying Agent, Bond Registrar, depositories and custodians shall have been paid or provision for such payment has been made, and (c) the Authority shall keep, perform and observe all of its agreements in the Bonds and herein expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be discharged.

The Bonds shall be deemed to be paid within the meaning of this Bond Resolution if (a) sufficient moneys shall have been irrevocably deposited with the Paying Agent to pay the same when they become due, or (b) there shall have been irrevocably deposited with the Paying Agent moneys or Government Obligations, which, without any reinvestment thereof or of the interest thereon, will produce moneys sufficient (as evidenced by an opinion or report of an independent certified public accountant or firm thereof) to pay the same when they become due (whether upon or prior to the stated maturity or the redemption date of the Bonds); provided, however, that if any of the Bonds are to be redeemed prior to their stated maturity, notice of such redemption shall have been duly given as provided herein or irrevocable arrangements satisfactory to the Paying Agent shall have been made for the giving thereof.

[END OF ARTICLE V]

ARTICLE VI.

DEPOSITORIES AND CUSTODIANS; SECURITIES FOR DEPOSITS

Section 6.01 Depository; Security for Deposits.

(a) Except as otherwise provided in this Bond Resolution, all moneys received by the Authority under the terms hereof shall, subject to the giving of security as hereinafter provided, be deposited with the proper Depository or Custodian in the name of the Authority. All moneys deposited under the provisions of this Bond Resolution shall be applied in accordance with the terms and for the purposes set forth in this Bond Resolution and shall not be subject to lien or attachment or any type of security interest by any creditor of the Authority or the County.

(b) No moneys belonging to any of the funds created hereunder shall be deposited or remain on deposit with the Depository or Custodian in an amount in excess of the amount guaranteed by the Federal Deposit Insurance Corporation, unless such institution shall have pledged for the benefit of the Authority and the owners of the Bonds as collateral security for the moneys deposited, direct obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve Bank and having a market value (exclusive of accrued interest) at least equal to the amount of such deposits.

Section 6.02 Designation of Depository and Custodian; Successor Depository and Custodian.

Regions Bank, Atlanta, Georgia, is hereby designated as the Sinking Fund Custodian, the Cost of Issuance Fund Depository and the Project Fund Custodian. The Authority may, from time to time, designate a successor Custodian or Depository, as approved by the County, provided said Custodian or Depository complies with all of the provisions of this Article and the applicable provisions of this Bond Resolution.

In the event the Sinking Fund Custodian and the Paying Agent for all Bonds then outstanding are the same bank acting in both capacities, then the Sinking Fund Custodian shall, without any further direction on the part of or any further authorization from the Authority, use and disburse the moneys in the Sinking Fund as provided in this Bond Resolution; except that, if, as provided under Article III of this Bond Resolution, it redeems or buys any Bonds issued hereunder with moneys in the Sinking Fund, then proper authorization and direction from the governing bodies of the Authority and the County shall be furnished for such use and disbursement of said moneys.

In the event the Sinking Fund Custodian and the Paying Agent for all Bonds then outstanding are not the same bank, then the Sinking Fund Custodian shall transfer to the Paying Agent from moneys held in the Sinking Fund, in immediately available funds, moneys in amount and at or before such times as shall be required to make the disbursements required pursuant to Section 5.03 hereof.

[END OF ARTICLE VI]

ARTICLE VII.

PARTICULAR COVENANTS

Section 7.01 Payment.

The Authority shall promptly pay the principal of and interest on every Bond issued hereunder and secured hereby at the place, on the dates and in the manner herein, in any supplemental resolution adopted by the Authority in connection with the issuance of any Additional Bonds, and in the Bonds, according to the true intent and meaning thereof. The principal of and interest on the Bonds are payable solely out of the Contract Payments.

Section 7.02 Liens.

The Authority shall not create, or permit to be created, any charge, lien or encumbrance or any security interest in or on the Contract Payments or the Contract ranking prior to or equal with the lien on the Contract Payments and the Contract created to secure payment of the Bonds.

Section 7.03 Non-Arbitrage and Tax Covenants.

The Authority covenants and agrees for the benefit of the Bondholders that so long as the Series 2026 Bonds remain outstanding, it will not intentionally cause any proceeds of the Series 2026 Bonds to be used to acquire higher yielding investments, except as may be otherwise permitted by Section 148 of the Code, and that it will comply with, and take such action and make such payments as may be permitted or required by Section 148(f) of the Code, to insure that the Series 2026 Bonds do not constitute "arbitrage bonds" within the meaning of Section 148(a) of the Code.

The Authority hereby covenants and agrees that it will expend the proceeds from the sale of the Series 2026 Bonds and will take such action as may be necessary so that the interest on the Series 2026 Bonds will be and will remain excluded from the gross income of the owner thereof for federal income tax purposes, including, without limitation, compliance with provisions of Sections 141- 149 of the Code, as applicable.

Section 7.04 Authorization of Execution of 8038-G, Tax and Non-Arbitrage Certificate, Tax Policy and Other Documents.

The Chairman of the Authority is hereby authorized to execute and file with the Internal Revenue Service an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G. The Chairman of the Authority is hereby authorized to execute and deliver a certification, based upon facts, estimates and circumstances, as to reasonable expectations regarding the amount, expenditure and use of the proceeds of the Series 2026 Bonds, as well as such other documents as may be necessary or desirable in connection with the issuance and delivery of the Series 2026 Bond. The Chairman of the Authority is hereby authorized to execute and deliver on behalf of the Authority an arbitrage regulatory agreement or similar agreement with an arbitrage rebate consultant or any other entity which may be from time to time a custodian of any of the funds created hereunder or under this Bond Resolution in order to comply with the arbitrage restrictions contained in Section 148 of the Code. Such agreement shall be in a form satisfactory to the Chairman of the Authority and the execution of such agreement by the Chairman of the Authority shall be conclusive evidence of such approval.

[END OF ARTICLE VII]

ARTICLE VIII.

EVENTS OF DEFAULT; REMEDIES

Section 8.01 Events of Default.

Each of the following events is hereby declared an "Event of Default:" (a) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, at maturity or by proceedings for mandatory redemption or optional redemption; or (b) payment of any installment of interest shall not be made when the same becomes due and payable; or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations hereunder; or (d) the Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Bond Resolution, on the part of the Authority to be performed, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Authority by any Bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default hereunder if the Authority shall institute corrective action and diligently pursue it until the default is cured; or (e) an event of default shall occur under the Contract.

Section 8.02 Remedies.

Upon the happening and continuance of any Event of Default, as provided in Section 8.01 hereof, then and in every such case any Bondholder may proceed, subject to the provisions of Section 8.04 hereof, to protect and enforce the rights of the Bondholders hereunder by a suit, action or special proceedings in equity, or at law, for the special performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Section 8.03 Restoration.

In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholders shall continue as though no such proceedings had been taken.

Section 8.04 Equal Benefit.

No one, or more, owners of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Section 8.05 Nonexclusivity of Remedies.

No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 8.06 No Waiver.

No delay or omission of any Bondholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by this Article to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

[END OF ARTICLE VIII]

ARTICLE IX.

SUPPLEMENTAL PROCEEDINGS

Section 9.01 Adoption of Supplemental Proceedings.

The Authority may, with the approval of the Bondholders as set forth in Section 9.03 hereof, from time to time and at any time, adopt such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued hereunder; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; (d) the creation of any lien on the Contract Payments or the Contract prior to or superior to the lien created as the security for the payment of the Bonds. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing herein contained, however, shall be construed as making necessary the approval by the Bondholders of any resolution not inconsistent with the terms and provisions of this Bond Resolution, or any resolution adopted (a) in connection with the issuance of one or more series of Series 2026 Bonds in accordance with the terms of this Bond Resolution; (b) to cure any ambiguity or formal defect or omission in this Bond Resolution or in any supplemental proceedings; (c) to provide for the issuance of Additional Bonds in accordance with the terms of this Bond Resolution (including without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority); (d) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders by the Authority; (e) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (f) to modify, amend or supplement this Bond Resolution or any proceedings supplemental hereto in such manner as to permit the qualification of this Bond Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect; (g) to make any modifications or amendment of this Bond Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds in book-entry form; (h) to modify any provisions of this Bond Resolution in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior the effective date of such supplemental resolution shall cease to be outstanding or constitute a majority of all Bonds and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in any such subsequent proceedings; or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the Bondholders.

Section 9.02 Notice.

After any supplemental resolution requiring the consent of the Bondholders shall have been adopted, the Authority shall cause a notice of the adoption of such resolution to be mailed by first class mail, postage prepaid, to all registered owners of Bonds appearing on the bond registration book kept by the Bond Registrar.

Section 9.03 Required Approval.

No such supplemental resolution requiring the consent of the Bondholders shall become effective unless the owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds issued hereunder then outstanding shall have filed with the Secretary of the Authority within three months after the date of adoption of such resolution properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of ownership of the Bonds to which such instrument refers, which proof shall be such as is permitted by the provisions of Section 9.06 hereof.

Section 9.04 Legal Action.

Any action or proceeding in any court objecting to such supplemental resolution or to any of the terms and provisions therein contained or the operation thereof, or the execution by any Bondholder of any instrument purporting to approve the adoption of such resolution, or to enjoin or restrain the Authority from taking any action pursuant to the provisions thereof, must be commenced within 30 days after the Authority shall have determined that the owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding, have approved the adoption of such supplemental resolution.

Upon the expiration of such 30 day period, or, if any such action or proceedings shall be commenced, upon any judgment or decree sustaining such supplemental resolution becoming final, this Bond Resolution shall be, and be deemed to be, modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under this Bond Resolution and all owners of outstanding Bonds shall thereafter be determined, exercised and enforced hereunder; subject, in all respects, to such modifications and amendments.

Section 9.05 Incorporation.

Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of this Bond Resolution and all conditions of this Bond Resolution for any and all purposes, and shall be effective as to all owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Whenever referred to herein as “supplemental resolution” same shall be construed to mean such action as shall be taken by the Authority, as may be required to comply with the law then in force and effect.

Section 9.06 Proof of Ownership.

Any request, waiver, direction, consent or other instrument required by this Bond Resolution to be signed or executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the written appointment of such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Bond Resolution and shall be conclusive in favor of the Authority with regard to any action taken under such instrument:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds therewith shall be determined and proved by reference to the bond registration book kept by the Bond Registrar for such issue or issues of Bonds and the Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon it.

Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Authority pursuant to such request or consent.

Section 9.07 Amendments to Contract.

The Authority and the County, from time to time and at any time, subject to the conditions and restrictions in the Contract, may modify, amend, or supplement the Contract.

[END OF ARTICLE IX]

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.01 Severability.

In case any one or more of the provisions of this Bond Resolution, or the Bonds issued hereunder, shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Bond Resolution or the Bonds, but this Bond Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 10.02 General Authority.

Any officer of the Authority is hereby authorized to execute and deliver all other documents and certificates necessary to affect the transactions contemplated by this Bond Resolution and to make covenants on behalf of the Authority. All actions heretofore taken and all documents heretofore executed in connection with the transactions contemplated by this Bond Resolution are hereby ratified and approved. If the Chairman or Secretary is unable or unwilling to carry out the transactions contemplated by the terms of this Bond Resolution or to execute any documents authorized herein, including but not limited to the Series 2026 Bonds, the Vice-Chairman and Assistant Secretary are hereby authorized to act/sign on behalf of the Chairman and Secretary, respectively.

Section 10.03 Bond Resolution as Contract.

The provisions of this Bond Resolution shall constitute a contract by and among the Authority, the County and the owners of the Bonds authorized to be issued hereunder, and after the issuance of the initial series of Series 2026 Bonds, this Bond Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bonds, nor shall the Authority pass any proceedings in any way adversely affecting the rights of such owners or issuers, so long as any of the Bonds authorized by this Bond Resolution, or the interest thereon, shall remain unpaid; provided, however, that this covenant shall not be construed as prohibiting modifications hereof or amendments hereto to the extent and in the manner as provided in Article IX hereof.

The provisions of this Bond Resolution and every appropriate sentence hereof shall be construed as including and as being applicable to any Additional Bonds issued by the Authority, as well as to the Series 2026 Bonds, and any Additional Bonds issued by the Authority shall be treated for all intents and purposes, unless otherwise specifically stated, just as if they had been issued together with the Series 2026 Bonds and pursuant to the terms of this Bond Resolution.

Any subsequent proceedings authorizing the issuance of Additional Bonds issued by the Authority as provided in this Bond Resolution shall in no way conflict with the terms and conditions of this Bond Resolution, but shall, for all legal purposes, reaffirm all of the applicable covenants, agreements and provisions of this Bond Resolution for the equal protection and benefit of the Bondholders.

Section 10.04 Authorization of Disclosure Documents.

The use and distribution of the Preliminary Official Statement are hereby authorized and approved. The Chairman of the Authority is hereby authorized to execute and deliver the Official Statement for and on behalf of the Authority, and the Official Statement shall be in substantially the form of the Preliminary Official Statement, subject to such minor changes, insertions or omissions as may be approved by the Chairman of the Authority, and the execution of said Official Statement by the Chairman of the Authority as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Authority is hereby authorized and approved. The Authority hereby "deems final" the Preliminary Official Statement as of its date in accordance with Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 and the Chairman of the Authority or the Vice-Chairman of the Authority is hereby authorized and directed to execute a certificate to that effect.

Section 10.05 Payments Due on Saturday, Sunday or Holiday.

If a payment on the Series 2026 Bonds is due on a Saturday, Sunday or any day that the principal office of the Paying Agent is authorized or required by law to remain closed, such payment shall be made on the next succeeding Business Day with the same force and effect as if such payment had been made on the original due date.

Section 10.06 Validation.

The Series 2026 Bonds herein authorized shall be validated in the manner provided by law, and to that end notice of the adoption of this Bond Resolution and a copy thereof shall be served upon the District Attorney of the Alcovy Judicial Circuit, in order that proceedings for the above purpose be instituted in the Superior Court of the Walton County.

Section 10.07 Repealer.

Any and all resolutions or parts of resolutions in conflict with this Bond Resolution this day adopted be and the same are hereby repealed, and this Bond Resolution shall be in full force and effect from and after its adoption.

Section 10.08 Waiver of Performance Audit.

The Authority will not conduct any performance audit or performance review with respect to the Series 2026 Bonds as such terms are described in Section 36-82-100, Official Code of Georgia Annotated, and hereby ratifies and/or authorizes the publication of the requisite public notice of the Authority's waiver of public accountability in the legal organ of Walton County.

Section 10.09 Authorization of Contract.

The execution, delivery and performance of the Contract, a copy of which is attached hereto as Exhibit B, are hereby authorized. The Contract shall be in substantially the form attached hereto, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman of the Authority, and the execution and delivery by the Chairman or Vice-Chairman as hereby authorized shall be conclusive evidence of the approval of any such changes, insertions or omissions.

Section 10.10 Authorization of Bond Purchase Agreement.

The execution, delivery and performance of the Bond Purchase Agreement, by and among the Authority, the County and Stifel, Nicolaus & Company, Incorporated are hereby authorized. The Bond Purchase Agreement shall be in substantially the form presented at this meeting, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman of the Authority, and the execution and delivery by the Chairman or Vice-Chairman as hereby authorized shall be conclusive evidence of the approval of any such changes, insertions or omissions.

[END OF ARTICLE X]

This Bond Resolution adopted by the Authority on the 1st day of September, 2026.

WALTON COUNTY WATER AND
SEWERAGE AUTHORITY

By:_________________________________
Chairman

(SEAL)

Attest:

____
Secretary

SCHEDULE 1

The Series 2026 Bonds shall be dated as of September 30, 2026, their date of issuance and delivery. The Series 2026 Bonds shall be issued in the aggregate principal amount equal to $_______________. The principal amounts of the Series 2026 Bonds maturing February 1 of each year together with the tax-exempt interest rates on each such maturity shall be as follows:

[See Attached]

EXHIBIT A

[FORM OF SERIES 2026 BOND]

Unless this Series 2026 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Walton County Water and Sewerage Authority (the "Authority") or its agent for registration of transfer, exchange or payment, and any Series 2026 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

The Authority has established a Book-Entry System of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Series 2026 Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Series 2026 Bond, will be treated as the owner of this Series 2026 Bond for all purposes.

DTC may discontinue providing its services as depository with respect to this Series 2026 Bond at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

No. R-___ $__________________

UNITED STATES OF AMERICA
STATE OF GEORGIA
WALTON COUNTY WATER AND SEWERAGE AUTHORITY
REVENUE BONDS
(WALTON COUNTY WATER SYSTEM PROJECTS),
SERIES 2026

BOND DATE:	INTEREST RATE:	MATURITY DATE:	CUSIP:
__________, 2026	____%	___________ 1, 20__	____________

FOR VALUE RECEIVED, the Walton County Water and Sewerage Authority (the "Authority"), a public body corporate and politic duly created and validly existing pursuant to an act of the General Assembly of the State of Georgia (Ga. L. 1972, p. 3623 et seq.), as thereafter amended (the "Act"), hereby promises to pay from the special fund provided therefor, as hereinafter set forth, to CEDE & CO., a nominee of The Depository Trust Company, or registered assigns, the principal sum of

___________________ DOLLARS

in lawful money of the United States of America, on the date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the principal corporate trust office of Regions Bank, Atlanta, Georgia as Paying Agent and Bond Registrar, and to pay to the registered owner hereof solely from said special fund interest (based on a 360-day year comprised of twelve thirty-day months) on the principal amount from the Interest Payment Date (hereinafter defined) next preceding the date of authentication hereof to which interest has been paid (unless the date of authentication hereof is an Interest Payment Date, in which case from such Interest Payment Date, unless the date of authentication hereof is after a Record date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless the date of authentication hereof is before the first Interest Payment Date, in which case from September 30, 2026), at the rate per annum specified above, on February 1, 2027 and semiannually thereafter on the 1st days of February and August in each year (each an "Interest Payment Date"), until payment of the principal amount hereof. Payments of interest on this bond shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date, and such interest payments shall be mailed by first class mail to the registered owner at the address shown on the bond registration book. Notwithstanding the foregoing, so long as this bond is registered in the name of the Securities Depository or the Securities Depository Nominee, payment of the principal of and interest on this bond shall be made by wire transfer to the Securities Depository, as more fully described herein.

This bond is one of a duly authorized issue of Walton County Water and Sewerage Authority Revenue Bonds (Walton County Water System Projects), Series 2026 in the aggregate principal amount $____________ (the "Series 2026 Bonds"), of like tenor, except as to designation, numbers, denominations, dates of maturities, interest rates and redemption provisions, issued under authority of the Constitution of the State of Georgia, the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended) and the Act and was duly authorized by a resolution of the governing body of the Authority adopted on September 1, 2026 (the "Bond Resolution") and a consent resolution adopted by the Walton County Board of Commissioners on September 1, 2026. The Series 2026 Bonds were issued for the purpose of providing funds to finance, in whole or in part, the cost of (i) financing the acquisition, construction and installation of a water plant expansion, transmission lines and other additions, extensions and expansions of the County's water system, and (ii) paying the costs of issuing the Series 2026 Bonds. The Series 2026 Bonds are secured by a first lien on the Intergovernmental Contract, dated as of September 1, 2026 (the "Contract"), between the Authority and Walton County, Georgia (the "County"), and the County's payment obligations (the "Contract Payments") thereunder. In addition to the Series 2026 Bonds, the Authority may issue, under certain terms and conditions as provided in the Bond

Resolution, additional revenue bonds, and if issued such additional revenue bonds will rank on a parity as to lien on the Contract and the Contract Payments with the lien securing payment of the Series 2026 Bonds. Reference to the Bond Resolution is hereby made for a complete description of the fund charged with, and pledged to, the payment of the principal of and the interest on the Series 2026 Bonds, the nature and extent of the security, a statement of rights, duties and obligations of the Authority, the rights of the owners of the Series 2026 Bonds, and the terms and provisions under which additional revenue bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this bond, assents.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until this bond shall have been authenticated and registered upon the bond registration book kept by the Bond Registrar for that purpose, which authentication and registration shall be evidenced by the execution by the manual signature of a duly authorized signatory of the Bond Registrar of the certificate hereon.

The Series 2026 Bonds are being issued by means of a Book-Entry System, with actual Series 2026 Bonds immobilized at The Depository Trust Company, New York, New York, or its successor as securities depository (the “Securities Depository”). Actual Series 2026 Bonds are not available for distribution to bondholders (the “Beneficial Owners”), except under the limited circumstances set forth in the Bond Resolution. The principal, redemption premium (if any) and interest on the Series 2026 Bonds are payable by the Paying Agent 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 Authority and the Paying Agent 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. So long as any Series 2026 Bonds are registered in Book-Entry Form, the Authority, the County and the Paying Agent may treat the Securities Depository as, and deem the Securities Depositor to be, the absolute owner of such Series 2026 Bonds for all purposes whatsoever, including without limitation: (a) the payment of principal of and interest on such series of Series 2026 Bonds; (b) giving notices of redemption and other matters with respect to such Series 2026 Bonds; (c) registering transfers with respect to such Series 2026 Bonds; (d) the selection of Series 2026 Bonds for redemption; and (e) voting and obtaining consents under the Bond Resolution.

If the Series 2026 Bonds are no longer registered to the Securities Depository or its nominee, this bond may be registered as transferred only upon the registration books kept for that purpose at the principal corporate trust office of the Bond Registrar by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Bond Registrar 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, in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor. In addition, if the bonds are no longer registered to a Securities Depository, 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 Bond Registrar for an equal aggregate principal amount of bonds of the same maturity and in any authorized denominations in the manner, subject to the conditions and upon payment of charges, if any, provided in the Bond Resolution. No service charge shall be made for any registration of transfer or exchange hereinbefore referred to, but the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge as a condition precedent to the exercise of such privilege.

The Authority and the County have entered into the Contract. Pursuant to the Contract, the Authority has agreed to issue the Series 2026 Bonds, and the County has agreed to make Contract Payments to the Authority in amounts sufficient to enable the Authority to pay the principal of and interest on the Series 2026 Bonds as the same becomes due and payable. The Contract provides that the obligation of the County to make the Contract Payments is absolute and unconditional. The County is required to levy an ad valorem tax on all taxable property located within the limits of the County subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates, as may be necessary to produce in each calendar year revenues which shall be sufficient to make the Contract Payments in the full amount required on the dates such payments are due. Such Contract Payments are to be paid by the County directly to the Sinking Fund Custodian designated in the Bond Resolution for the account of the Authority and deposited into the special fund created in the Bond Resolution and designated the "Walton County Water and Sewerage Authority Sinking Fund." The Contract and the Contract Payments have been pledged under the Bond Resolution to the payment of the principal of and interest on the Series 2026 Bonds.

THIS BOND IS A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE CONTRACT PAYMENTS. THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF GEORGIA, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS. NEITHER THE STATE OF GEORGIA, THE COUNTY NOR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA SHALL BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA TO PAY THE SAME OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT HEREOF AGAINST ANY PROPERTY OF THE STATE OF GEORGIA, THE AUTHORITY OR THE COUNTY. THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS ARE PAYABLE SOLELY FROM THE CONTRACT PAYMENTS.

The Series 2026 Bonds maturing on or after February 1, 20___ are redeemable at the option of the Authority, as directed by the County, in whole or in part at any time and in any order of maturity, not earlier than February 1, 20___, 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 2026 Bonds maturing on February 1, 20__, are subject to mandatory sinking fund redemption on February 1, 20__, and on each August 1 thereafter to and including February 1, 20__, in the principal amount set forth in the table below (after credit as provided below), at a redemption price equal to 100% of the principal amount to be redeemed plus interest due thereon on such redemption date (the February 1, 20__ amount to be paid rather than redeemed):

February 1 of the Year	Principal Amount

\+ Final Maturity

In the event any of the Series 2026 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2026 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 2026 Bond to be redeemed at the address shown on the books of the Registrar maintained pursuant to Section 2.06 of the Bond Resolution; 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 2026 Bond or portion thereof with respect to which no such failure has occurred. All Series 2026 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 2026 Bonds called for redemption, which moneys are or will be available for redemption of Series 2026 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 2026 Bonds are called for redemption in part, the Series 2026 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.

To the extent and in the manner permitted by the Bond Resolution, modifications, alterations, amendments, additions and deletions of the provisions of the Bond Resolution, or of any resolution supplemental thereto, the Bonds or the Contract, may be made by the Authority without the consent of the owners of the Bonds in certain circumstances and with the consent of fifty-one percent (51%) of the principal amount of the Bonds outstanding in other circumstances.

This bond is issued with the intent that the laws of the State of Georgia shall govern its construction. In case of default, the owner of this bond shall be entitled to the remedies provided in the Bond Resolution, the Revenue Bond Law and the Act.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed in due and legal form as required by law, and that provision has been made for the allocation from the Contract Payments of amounts sufficient to pay the principal of and the interest on the Series 2026 Bonds as the same mature, and that said Contract Payments are irrevocably allocated and pledged to the payment of the Series 2026 Bonds and the interest thereon.

IN WITNESS WHEREOF, the governing body of the Walton County Water and Sewerage Authority has caused this Series 2026 Bond to be executed by the manual or facsimile signature of its Chairman and its official seal to be imprinted hereon and attested by the manual or facsimile signature of its Secretary as of September ____, 2026.

WALTON COUNTY WATER AND SEWERAGE AUTHORITY

(S E A L)

By:____
Chairman

Attest:

____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2026 Bond is one of the Revenue Bonds described in the Bond Resolution of the Walton County Water and Sewerage Authority adopted on September 1, 2026.

REGIONS BANK, as Bond Registrar

By:________________________________
Authorized Signatory

Date of Authentication and Registration: September ___, 2026

VALIDATION CERTIFICATE

STATE OF GEORGIA)

COUNTY OF WALTON)

The undersigned Clerk of the Superior Court of Walton County, State of Georgia, HEREBY CERTIFIES that this Series 2026 Bond was validated and confirmed by judgment of the Superior Court of Walton County, Georgia, on September ___, 2026, and that no intervention or objection was filed in the proceedings validating same and that no appeal from said judgment of validation has been taken.

WITNESS my signature and seal of the Superior Court of Walton County, Georgia.

(S E A L)

____
Clerk, Superior Court,
Walton County, Georgia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

____

[please print or typewrite name and address including postal zip code of assignee]

[Please insert Social Security or
Tax Identification Number of Assignee]

_________________________________ the within Series 2026 Bond and all rights thereunder, hereby constituting and appointing _________________________________ attorney to transfer this Series 2026 Bond on the bond registration book kept for such purpose by the Bond Registrar, with full power of substitution in the premises.

DATED_________________________

Signature Guaranteed:

____

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 2026 Bond in every particular, without alteration or enlargement or any change whatever.

<u>DTC FAST RIDER</u>

Each such certificate shall remain in the Paying Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and DTC-FAST Agreement.

EXHIBIT B

FORM OF CONTRACT

[Attached.]

EXHIBIT C

FORM OF PROJECT FUND REQUISITION

[Attached.]

FORM OF PROJECT FUND REQUISITION

Requisition No. ___

_____________, 2026

Regions Bank,
as Project Fund Depository
Atlanta, Georgia

Re: Disbursement From Project Fund Relating to Walton County Water and Sewerage Authority Revenue Bonds (Walton County Water System Projects), Series 2026

To the Addressee:

The undersigned authorized representative of the Walton Water and Sewerage Authority (the "Authority") does hereby submit a requisition for a disbursement from the Project Fund established under the Resolution adopted by the Authority on September 1, 2026 (the "Resolution"), relating to the captioned bond. The amount to be paid, the circumstances of such obligation and the name of the person, firm or corporation to whom payment is due is shown on Schedule 1 attached hereto. In connection with this requisition, the undersigned hereby certifies, as follows:

1. An obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been paid.

2. A bill or statement of account for such obligation, or a copy thereof, is attached hereto or is on file in the office of the Chief Financial Officer of the Walton County, Georgia (the "County").

3. The undersigned has no notice of any vendor's, mechanic's or other liens or rights to liens, security interests, chattel mortgages, or conditional sales contracts which should be satisfied or discharge before such payment is made.

4. This requisition contains no item representing payment on account or any retained percentages which the County is, as of the date of this certification, entitled to retain.

5. Insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose.

This _____ day of ____________________, 20____.

WALTON COUNTY WATER AND SEWERAGE AUTHORITY

By:_______________________________________
Authorized Representative

Approved by

WALTON COUNTY, GEORGIA

By:___________________________
Authorized Representative

SCHEDULE “1”

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Walton County Water and Sewerage Authority, DOES HEREBY CERTIFY that the foregoing pages constitute a true and correct copy of the resolution adopted by the Authority at an open public meeting duly called and lawfully assembled, on the 1st day of September, 2026, authorizing the issuance of $__________________ in aggregate principal amount of Walton County Water and Sewerage Authority Revenue Bonds (Walton County Water System Projects), Series 2026, the original of said resolution being duly recorded in the Minute Book of said Authority, which Minute Book is in my custody and control.

WITNESS my hand and the official seal of the Walton County Water and Sewerage Authority, this the 1st day of September, 2026.

____
Secretary