

EXTRACT OF MINUTES  
RESOLUTION OF GOVERNING BODY

Recipient: CITY OF BLUE RIDGE

Loan Number: CW2016012

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

**WHEREAS**, the Borrower has borrowed **\$900,000** from the **GEORGIA ENVIRONMENTAL FINANCE AUTHORITY** (the "Lender"), pursuant to the terms of the Loan Agreement (the "Loan Agreement"), dated **FEBRUARY 7, 2018**, between the Borrower and the Lender; and

**WHEREAS**, the Borrower's obligation to repay the loan made pursuant to the Loan Agreement is evidenced by a Promissory Note (the "Note"), dated **DECEMBER 12, 2017**, of the Borrower; and

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

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

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

Donna Whitener  
(Signature of Person to Execute Documents)

Donna Whitener  
(Print Title)

\_\_\_\_\_  
(Signature of Person to Attest Documents)

\_\_\_\_\_  
(Print Title)

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect.

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary/Clerk

(SEAL)

**SECOND MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT**

**THIS SECOND MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT** (this "**Second Modification**") dated \_\_\_\_\_, 20\_\_\_\_, by and between **CITY OF BLUE RIDGE**, a Georgia public body corporate and politic (the "**Borrower**"), and the **CLEAN WATER STATE REVOLVING FUND, ADMINISTERED BY GEORGIA ENVIRONMENTAL FINANCE AUTHORITY**, a Georgia public corporation (the "**Lender**").

**Statement of Facts**

A. The Lender and the Borrower are parties to that certain **Loan Agreement**, dated **FEBRUARY 7, 2018**, as amended prior to the date hereof (as so amended, the "**Loan Agreement**"; all capitalized terms used in this Second Modification but not defined herein have the meanings given in the Loan Agreement), pursuant to which the Lender made a loan to the Borrower in accordance with the terms and conditions thereof. The Borrower's obligation to repay such loan is evidenced by that certain **Promissory Note**, dated **DECEMBER 12, 2017**, as amended prior to the date hereof (as so amended, the "**Note**").

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

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

**Statement of Terms**

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

Accrued interest on this Note shall be payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the Completion Date (as defined in the hereinafter defined Loan Agreement), (2) **FEBRUARY 1, 2021**, or (3) the date that the loan evidenced by this Note is fully disbursed (the "**Amortization Commencement Date**"). Principal of and interest on this Note shall be payable in **TWO HUNDRED THIRTY-NINE (239)** consecutive monthly installments equal to the Installment Amount (as hereinafter defined), commencing on the first day of the calendar month following the Amortization Commencement Date, and continuing to be due on the first day of each succeeding calendar month thereafter, together with a final installment equal to the entire remaining unpaid principal balance of

and all accrued interest on this Note, which shall be due and payable on the date that is 20 years from the Amortization Commencement Date (the “Maturity Date”).

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

Section 2 (a) of the Loan Agreement is hereby amended and restated to read as follows: “The Lender agrees to advance to the Borrower, on or prior to the earlier of (1) the Completion Date (as hereinafter defined), (2) **FEBRUARY 1, 2021**, or (3) the date that the loan evidenced by this Note is fully disbursed, the Loan in a principal amount of up to **\$900,000** which Loan may be disbursed in one or more advances but each such disbursement shall reduce the Lender’s loan commitment hereunder and any sums advanced hereunder may not be repaid and then re-borrowed.”

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

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

**4. Representations and Warranties** - To induce the Lender to enter into this Second Modification, the Borrower does hereby warrant, represent, and covenant to the Lender that: (a) each representation or warranty of the Borrower set forth in the Loan Agreement is hereby restated and reaffirmed as true and correct on and as of the date hereof as if such representation or warranty were made on and as of the date hereof (except to the extent that any such representation or warranty expressly relates to a prior specific date or period), and no Event of Default has occurred and is continuing as of this date under the Loan Agreement; and (b) the Borrower has the power and is duly authorized to enter into, deliver, and perform this Second Modification, and this Second Modification is the legal, valid, and binding obligation of the Borrower enforceable against it in accordance with its terms.

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

a. the Lender shall have received one or more counterparts of this Second Modification duly executed and delivered by the Borrower; and

b. the Lender shall have received (1) a signed opinion of counsel to the Borrower, substantially in the form of Exhibit E attached hereto, and (2) a certified copy of the resolution adopted by the Borrower’s governing body, substantially in the form of Exhibit F attached hereto.

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

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

**CITY OF BLUE RIDGE**

Approved as to form:

Signature: Donna Whitener

By: \_\_\_\_\_

Print Name: Donna Whitener

**Borrower's Attorney**

Title: Mayor

(SEAL)

Attest Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CLEAN WATER STATE REVOLVING FUND,  
ADMINISTERED BY GEORGIA  
ENVIRONMENTAL FINANCE AUTHORITY**

Signature: \_\_\_\_\_

Kevin Clark  
Executive Director

(SEAL)

DESCRIPTION OF THE PROJECT

SCOPE OF WORK

Recipient: **CITY OF BLUE RIDGE**

Loan Number: **CW2016012**

This project will rehabilitate a lift station, replace sewer main and pumps, and related appurtenances.

DESCRIPTION OF THE PROJECT

PROJECT BUDGET

Recipient: **CITY OF BLUE RIDGE**

Loan Number: **CW2016012**

ITEM	TOTAL	CWSRF
Construction	\$750,000	\$750,000
Contingency	75,000	75,000
Engineering & Inspection	60,000	60,000
Administrative/Legal	15,000	15,000
<b>TOTAL</b>	<b>\$900,000</b>	<b>\$900,000</b>

\*The amounts shown above in each budget item are estimates. Borrower may adjust the amounts within the various budget items without prior Lender approval provided Borrower does not exceed the loan amount contained in Section 1 of the Loan Agreement. In no event shall Lender be liable for any amount exceeding the loan amount contained in Section 1 of the Loan Agreement.

**DESCRIPTION OF THE PROJECT**

**PROJECT SCHEDULE**

**Recipient: CITY OF BLUE RIDGE**

**Loan Number: CW2016012**

<b>ACTION</b>	<b>DATE</b>
Plans and Specifications submitted to EPD	FEBRUARY 2017
Bid Opening	NOVEMBER 2017
Notice to Proceed	JANUARY 2018
Completion of Construction	OCTOBER 2020

**OPINION OF BORROWER'S COUNSEL**  
(Please furnish this form on Attorneys Letterhead)

Date

Clean Water State Revolving Fund, Administered by  
Georgia Environmental Finance Authority  
233 Peachtree St, NE  
Harris Tower, Ste 900  
Atlanta, GA 30303-1506

Ladies and Gentlemen:

A legal opinion from **SAMS, LARKIN, HUFF & BALLI, LLP** was delivered to you, dated **JANUARY 16, 2018** (the "Closing Opinion"), relating to the Loan Agreement (the "Loan Agreement"), dated **FEBRUARY 7, 2018** between **CITY OF BLUE RIDGE** (the "Borrower") and the **CLEAN WATER STATE REVOLVING FUND, ADMINISTERED BY GEORGIA ENVIRONMENTAL FINANCE AUTHORITY** (the "Lender"), and the Promissory Note (the "Note"), dated **DECEMBER 12, 2017**, of the Borrower. A legal opinion was also delivered to you dated **OCTOBER 8, 2018** relating to the modification of Promissory Note and Loan Agreement dated **OCTOBER 19, 2018**. As counsel for the Borrower, I have examined the original of the Second Modification of Promissory Note and Loan Agreement (the "Second Modification"), between the Borrower and the Lender, the proceedings taken by the Borrower to authorize the Second Modification, the Closing Opinion, and such other documents, records, and proceedings as I have deemed relevant or material to render this opinion. Based upon such examination, I hereby reconfirm as of the date hereof the opinions contained in the Closing Opinion, subject to the second modification that all references to the Note and the Loan Agreement (as defined in the Closing Opinion) shall be deemed to include a reference to the Second Modification. Nothing has come to my attention, after due investigation, that in any way might question the continuing validity and accuracy of the Closing Opinion, as modified above.

Very truly yours,

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Signature

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Printed Name

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Date