

PROMISSORY NOTE

\$1,000,000.00

June __, 2025

FOR VALUE RECEIVED, the undersigned, **VALDOSTA HOUSING AUTHORITY** a/k/a Housing Authority of the City of Valdosta, a public body corporate and politic and a political subdivision of the state of Georgia (the “Maker”), promises to pay to the order of **LOWNDES COUNTY, GEORGIA**, a political subdivision of the State of Georgia (the “Holder”), at the principal place of business of the Holder, or at such other place as Holder may designate to Maker in writing from time to time, the principal sum of **One Million and No/100 Dollars (\$1,000,000.00)**, together with interest thereon or on so much thereof as is from time to time outstanding and unpaid, at the rate hereinafter set forth, in lawful money of the United States of America, such principal and interest to be paid in the following manner, to-wit:

O.C.G.A. § 8-3-155(b) provides that the Maker is to make reimbursement for the loan represented by the Note when it has the money available therefor and the Holder agrees that the repayment obligation to the Holder by the Maker is governed by such statutory provision. Notwithstanding the foregoing, it is the Maker’s desire and intention to repay this Note as follows:

From and after the date of this Note and continuing thereafter until January 1, 2028, (the “Accrual Period”), interest shall accrue at a rate of **two percent (2%)** simple interest per annum. During the period between the date of this Note and the expiration of the Accrual Period, no monthly payments of interest or principal shall be made by the Maker.

Upon the expiration of the Accrual Period, the accrued interest shall be added to and become a part of the principal of this Note and the loan evidenced by this Note shall convert on such date (the “Conversion Date”) into a permanent loan with a term of four hundred twenty (420) months from the expiration of the Accrual Period (the “Maturity Date”). Interest shall accrue at a rate of two percent (2%) simple interest per annum. During the period between the Conversion Date and the Maturity Date, annual payments of principal and interest in the amount of **Forty Thousand Two and 21/100 Dollars (\$40,002.21)** shall be due from the Maker based on a thirty-five (35) year amortization period with the outstanding principal and any accrued interest due and payable in a final balloon payment of **Three Hundred Twenty-Six Thousand Five Hundred Seven and 47/100 Dollars (\$326,507.47)** at the Maturity Date.

This Note is made pursuant to that certain Resolution of the members of the Board of Commissioners for Lowndes County, Georgia dated June 24, 2025, and pursuant to O.C.G.A. §§ 8-3-155(b) and 8-3-156. Maker may utilize the proceeds of the loan evidenced by this Note for any purpose permitted by Georgia law. The repayment of this Note shall be made solely from assets of the Maker which are not governed by The United States Housing Act of 1937, commonly referred to as non-federal assets.