



March 21, 2024

Mr. Sean Barr
Director of Engineering
Augusta Utilities Department
452 Walker St, Suite 200
Augusta, GA 30901

Re: Augusta Utilities Department – Loan No. LSLR2022069

Dear Mr. Barr:

The board of directors of the Georgia Environmental Finance Authority (GEFA) approved your loan application for a Drinking Water State Revolving Fund loan in the amount of \$11,250,000 on March 21, 2024. GEFA looks forward to working with you on this loan. Enclosed is a checklist to assist you in executing the loan agreement.

Carefully read the loan agreement, promissory note and all related documents before completing, signing and returning them. We are happy to answer questions that you may have. Based on the questions we most commonly receive we've prepared the following list of important terms for your convenience.

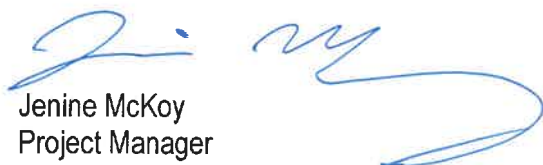
1. Principal Forgiveness Funding. If you have received principal forgiveness funding from GEFA, you should take note of the following unique aspects of your documents:
 - a. GEFA may award your project principal forgiveness in the amount of \$5,625,000, if all loan funds are drawn.
 - b. The body of the loan agreement and the promissory note specify the full loan amount approved by the GEFA board, not including principal forgiveness. The level of applicable principal forgiveness for your loan is specified in Exhibit D.
 - c. The 8038-G and Tax Certificate specify only the "unforgiven" portion (full amount minus principal forgiveness) of the loan, assuming the full value of the loan is disbursed.
2. Origination Fee. The origination fee is payable in one payment of \$168,750 by the 15th day of the second month following the date that GEFA executes the loan agreement. An electronic bill will be sent prior to the payment being debited from the bank account indicated on the ACH debit agreement.



3. Loan Continuation Fee. Section 4(c) of the loan agreement states that in the event the Borrower fails to draw funds within six months of loan agreement execution, GEFA will assess a Loan Continuation Fee as published in the Lender Fee Schedule, which is available on GEFA's website. The Loan Continuation Fee will be assessed every month thereafter until the Borrower makes an initial draw of funds from the loan for the project or reverts the loan commitment.
4. Federal Requirements. Carefully review with your engineer, consultants and counsel as necessary the federal requirements listed in Exhibit D of the loan agreement.
5. Construction Interest. Interest accrued on funds drawn during construction will be billed and collected monthly during construction by use of electronic debit transactions. Construction interest will be charged and collected monthly only on the outstanding balance of funds disbursed to date.
6. Amortization Schedule. The monthly installment amount is not provided within the loan documents because the Borrower may drawdown less than the entire loan amount. As a courtesy to our customers, GEFA provides an estimated installment amount based on information provided within the loan documents. If the full amount of funds indicated in the loan documents is disbursed to the project and all requirements for this project are met, the installment amount will be approximately \$30,275.09 per month throughout the life of repayment.
7. Future Audits and Financial Compliance. Within six months after the end of each fiscal year, the Borrower will deliver to GEFA a copy of the Borrower's financial statements as required under the state audit requirements (O.C.G.A. Section 36-81-7) and a compliance certificate stating the Borrower is meeting the 1.05 times debt service coverage ratio, as detailed in the Loan Agreement.

If you have any questions, please contact me at 404-584-1055 or jmckoy@gefa.ga.gov.

Sincerely,



Jenine McKoy
Project Manager



Recipient Execution Checklist

Borrower Name: AUGUSTA-RICHMOND COUNTY

Loan Number: LSLR2022069

For your convenience, this checklist will help you complete all pertinent documents that must be returned to GEFA for execution. Please **initial** each item below to verify the items are completed. Please return this initialed checklist with your executed loan documents by **July 31, 2025**, the contract execution expiration date as outlined in item (13)(d) of the loan agreement.

____ (2) Loan Agreements

- ☐ Both loan agreements are signed and marked with the borrower's seal

____ Exhibit E: Opinion of Borrower's Counsel

- ☐ Signed, dated, and on the attorney's letterhead

____ Exhibit F: Resolution of Governing Body

- ☐ Signed, dated, and marked with the borrower's seal. **This resolution authorizes the signer and attester. The same people must sign all the documents.**

____ Promissory Note

- ☐ Signed, dated, and marked with the borrower's seal

____ IRS 8038-G Form

- ☐ Sections #3a, #3b, #10a, and #10b are completed
☐ Signed and dated by the mayor, chairman, sole commissioner, or director

____ Tax Certificate

- ☐ Signed, dated, and marked with the borrower's seal

____ Signature Card

- ☐ Completed, box checked, attested (not one of the signers), and dated

____ Vendor Authorization for ACH Electronic Funds Transfer

- ☐ Completed, signed, and dated with a voided check/deposit ticket attached

____ Letter from Borrower's Auditor

- ☐ GEFA project manager will provide a template.

____ Project Performance Worksheet

- ☐ <https://georgiaenvironmentalfinanceauthority.quickbase.com/db/bjnv3ccc5?a=nwr>

