



October 25, 2022

City of Starke
Mayor Janice Mortimer
209 North Thompson Street
Starke, FL 32091

SUBJECT: City of Starke
Letter of Conditions Amendment No. 2
Wastewater System Improvement Project
RD Subsequent Grant \$6,306,189

Dear Mayor Mortimer:

This letter establishes conditions which must be understood and agreed to by the City of Starke and amends the Rural Development Letter of Conditions dated September 17, 2019 and the Amendment 1 dated June 1, 2021. All requirements of the previously issued Letter of Conditions and Amendments are to remain in effect except as modified herein.

This amended Letter of Conditions No. 2 is being issued due to an increase in as bid project costs.

Breakdown Project Funding:

Rural Development Loan	\$8,819,000.00
Rural Development Subsequent Loan	\$1,857,000.00
Rural Development Grant	\$7,808,000.00
Rural Development Subsequent Grant	\$1,825,000.00
Rural Development Subsequent Grant	<u>\$6,306,189.00</u>
Total:	\$26,615,189.00

United States Dept of Agriculture, Rural Development • Lake City Area Office
971 W. Duval Street, Suite 190 • Lake City, FL 32055-3736
Voice (386) 719-5590 • Fax (855) 474-6983

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Breakdown of Project Budget: Estimated project costs are budgeted as follows:

Development	\$23,361,150
Contingency	\$1,168,058
Engineering Fees	\$1,780,300
Interim Interest	\$175,437
Fiscal Agent	\$35,087
Legal Fees	<u>\$95,157</u>
Total	\$26,615,189

Item 5. Security 1st paragraph will be amended as follows:

The loan will be secured by Wastewater System Revenue Bonds in the amount of \$8,819,000.00 and \$1,857,000.00, to be secured and repaid by a first lien position on all revenues of the City's Wastewater system and a covenant to budget and appropriate all legally available Non-Ad Valorem Revenues. The lien may be on parity with the City's Notes payable to the Florida Department of Environmental Protection (DEP) State Revolving Fund issued on July 10, 2009, in the amount of \$1,645,035.00 and July 6, 2016, in the amount of \$303,352.00.

Item 33. Vulnerability Assessment/Emergency Response Plan (VA/ERP) to be amended by adding the following paragraph to that section.

Before funds are drawn, the Applicant should have in place a cybersecurity plan, a supply chain plan, and a plan to comply with cybersecurity requirements of the National Institute of Science and Technology and the Cybersecurity and Infrastructure Security Administration

Please complete and return the attached Form RD 1942-46, Letter of Intent to Meet Conditions if the above revisions are acceptable to the City.

We look forward to working with you to complete this project. If you have any questions, please contact me directly.

Sincerely,

BRUNILDA ROBLES
Area Director

cc: Community Programs Director
Attorney
Bond Counsel
Engineer