

The Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico and the District of Columbia

Georgia

June 26, 2026

Re: Beneficiary Confirmation

Dear Beneficiary,

As we have been communicating, the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia is approaching the 10th anniversary of the Trust Modification Effective Date on October 2, 2027. Wilmington Trust, N.A., as Trustee, is requesting your review and confirmation of the information below as it is a critical component of meeting the 80% "obligated" and 80% "expended" deadlines to become a Supplemental Funding Beneficiary who is entitled to retain all of its original allocation and also become eligible to receive any funds from the re-allocation of the Remainder Balance. It is our goal to identify any issues in your records that do not align with our records as soon as possible and resolve them now. The attached Exhibit provides a summary of your historical Eligible Mitigation Action activity. Confirmation of this information is critical by you, as a Beneficiary, prior to July 31st, 2026.

Initial Allocation: \$63,624,725.56

The following amounts are as of **May 31, 2026**:

Total Approved Budgeted Amount (Appendix D-4 - Obligated): \$48,077,808.00

Remaining Funds (Initial Allocation less Approved Budget): \$15,546,917.56

Approved and Disbursed Attachment A Funding Request (Expended): \$48,077,808.00

Returned Funds: \$ -

Interest Earnings: \$4,847,745.13

Obligated Percentage ($\frac{\text{Approved Budget}}{\text{Initial Allocation}} \times 100\%$) : 76%

Expended Percentage ($\frac{\text{Disbursed Attachment A Funds}}{\text{Initial Allocation}} \times 100\%$) : 76%

If there are any questions, please contact Michael Bochanski Jr. at mbochanski@wilmingtontrust.com

Sincerely,

Wilmington Trust, N.A., as Trustee for the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia, and not in its individual capacity

By:



Name: Michael Bochanski Jr.

Title: Vice President

Reviewed and confirmed by:

Authorized Representative for the State of Georgia as Beneficiary

By: Stephanie Beck

(Signature)

Date: 7/31/2026

Name: Stephanie Beck
(Print)

Title: Deputy Director



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Section 5.3 of the Environmental Mitigation Trust Agreement describes the Beneficiary Reporting Obligations. For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six month period leading up to the reporting date.

Georgia has received four allocations totaling \$48,077,808 for the replacement of Xpress diesel buses and purchase of electric charging infrastructure, which coincides with Georgia's approved Mitigation Plan. Georgia's third draw request to the Trust in the amount of \$8,911,400 was approved for the procurement and deployment of ten electric buses and associated charging infrastructure, and the remaining three draw requests were approved for the purchase and deployment of diesel bus replacements. In consideration of Georgia's updated Mitigation Plan, VW Mitigation Fund amounts available for each project are subject to change. This report covers the July 1, 2018 to June 30, 2026 reporting periods.

Project #1. State Road and Tollway Authority (SRTA) Xpress transit bus replacements

Project #1 is for the replacement of Xpress transit buses. Xpress transit buses operate in 12 Atlanta Metropolitan Area counties and draw ridership from 40 counties. The Xpress buses provide Atlanta Metropolitan Area commuters with a transportation option that also reduces NO_x emissions. The Xpress project was selected due to SRTA's service area, operating within counties that comprise the Atlanta Metropolitan Area. The Atlanta Metropolitan Area is under a maintenance plan to ensure 2015 Ozone National Ambient Air Quality Standards (NAAQS) are upheld in the area. Additionally, the Atlanta Metropolitan Area is disproportionately impacted by NO_x emissions from mobile sources. The Xpress project will benefit the Atlanta Metropolitan Area by alleviating the congestion on Georgia's most utilized highways, reducing mobile source NO_x emissions through the reduction of private motor vehicle usage, and reducing NO_x emissions from public transit buses by replacing older diesel engines with new, efficient diesel engines and/or replacing diesel transit buses with electric or hydrogen fuel cell transit buses.

Table 1 summarizes the funds utilized and Table 2 summarizes the buses ordered, deployed, and destroyed during the semiannual period and for the project to date. Table 3 summarizes the changes in the project during the semiannual period and project status. Tables 1 and 2 include Georgia's requests.



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Table 1 – Funds Utilized
SRTA Xpress transit bus replacements
July 1, 2018 – June 30, 2026

VW Mitigation Funds Available	VW Mitigation Funds Encumbered	VW Funds Utilized – Semiannual Period	VW funds Utilized – Rolling for Project	Actual/Projected Completion Date
\$0	\$1,041,480	\$2,754,591	\$47,036,328	12/31/2026

Table 2 – Bus Disposition Summary
SRTA Xpress transit bus replacements
July 1, 2018 – June 30, 2026

Item	Prior Periods 7/1/2018 – 12/31/2025	Semiannual Period 01/1/2026-06/30/2026	Total
Number of new buses deployed	82	0	82
Number of new diesel buses ordered	82	0	82
Number of new electric buses ordered	10	0	10
Number of new hydrogen fuel cell buses ordered	0	0	0
Number of disposed buses	92	0	92

Table 3 – Project/Plan Status
SRTA Xpress transit bus replacements
July 1, 2018 – June 30, 2026

Changes to the project plan during semiannual period:

There were no changes to the project plan during the semiannual period. The State of Georgia submitted an updated Mitigation Plan in 2024 to finalize plans for remaining funds.



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Project status for installation and deployment of charging infrastructure and electric buses:

The installation and deployment of electric bus infrastructure began in January 2023 and is largely complete as of December 31, 2024. After reviewing specifications necessary for deployment, the Xpress system has placed an order to deploy ten (10) electric commuter-coach buses utilizing environmental mitigation trust funds to match with Federal Transit Agency (FTA) grant funding through the Low or No Emission Vehicle Program (5339-C). This program funding also applies to the aforementioned charging infrastructure for the new buses. Items remaining include minor equipment installation and the commissioning of the charging infrastructure, which will occur after buses are delivered. Xpress received its first bus delivery during the January – June 2024 reporting period, five additional buses during the July 2024 – December 2024 reporting period, and the remaining four buses during 2025. Technology system installation is completed on the remaining four buses due to the implementation of the Better Breeze fare collection system. Training and field validation for electric buses is ongoing as Xpress prepares to deploy the buses into revenue service beginning in the second half of 2026.



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Project # 2. All-electric terminal-to-terminal transit bus replacements at Hartsfield-Jackson Airport (HJA)

Project #2 is for the proposed replacement of terminal-to-terminal diesel transit buses at HJA with all-electric buses, including charging infrastructure. The terminal-to-terminal buses transport passengers from the international terminal to the domestic terminal and back. This project is part of an overall strategy at HJA to reduce diesel emissions at the airport. The new electric buses will also eliminate NO_x emissions. HJA terminal-to-terminal transit buses operate in Clayton and Fulton counties, which are also part of the 2015 ozone maintenance area. This project has not begun yet, as shown in Tables 4, 5, and 6. No VW mitigation funds have been allocated to this project to date.

Table 4 – Funds Utilized

Terminal-to-Terminal Transit Bus Replacements at Hartsfield-Jackson Airport (HJA) July 1, 2018 – June 30, 2026

VW Mitigation Funds Available	VW Mitigation Funds Encumbered	VW Funds Utilized – Semiannual Period	VW funds Utilized – Rolling for Project	Actual/Projected Completion Date
0	0	0	0	TBD

Table 5 – Bus Disposition Summary

Terminal-to-Terminal Transit Bus Replacements at Hartsfield-Jackson Airport (HJA) July 1, 2018 – June 30, 2026

Item	Prior Periods 7/1/2018 – 12/31/2025	Semiannual Period 1/1/2026– 6/30/2026	Total
Number of new buses deployed	0	0	TBD
Number of new diesel buses ordered	0	0	TBD
Number of new electric buses ordered	0	0	TBD
Number of disposed buses	0	0	TBD



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Table 6 – Project/Plan Status
Terminal-to-Terminal Transit Bus Replacements at Hartsfield-Jackson Airport (HJA)
July 1, 2018 – June 30, 2026

Changes to the project plan during semiannual period:

No VW Mitigation Funds have been encumbered for this project to date. No changes in the project plan to date.

Project status for installation and deployment of charging infrastructure:

Project has not commenced yet.



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Project #3. Georgia school bus replacements

Project #3 is for the replacement of diesel school buses or diesel school bus engines with new diesel, alternate fueled, or all-electric alternatives. As of 2024, Georgia schools had over 6,000 diesel buses from 2009 or prior. Of these buses, 2,403 are in active use transporting students to and from school. The replacement of these buses in the Atlanta Metropolitan Area and throughout the state will reduce NOx emissions and meet Georgia's overall Beneficiary Mitigation Plan goals. While Georgia school bus fleets are controlled locally, the Georgia Department of Education's (DOE) Office of Pupil Transportation provides significant funding and guidance to Georgia's school systems for the replacement of aging school buses. The funds for Project #3 will be administered in partnership with DOE's Office of Pupil Transportation. This project has not begun yet, as demonstrated in Tables 7, 8, and 9. No VW mitigation funds have been allocated to this project to date.

Table 7 – Funds Utilized
Georgia School Bus Replacements
July 1, 2018 – June 30, 2026

VW Mitigation Funds Available	VW Mitigation Funds Encumbered	VW Funds Utilized – Semiannual Period	VW funds Utilized – Rolling for Project	Actual/Projected Completion Date
0	0	0	0	TBD

Table 8 – Bus Disposition Summary
Georgia School Bus Replacements
July 1, 2018 – June 30, 2026

Item	Prior Periods 7/1/2018 – 12/31/2025	Semiannual Period 1/1/2026– 6/30/2026	Total
Number of new buses deployed	0	0	TBD
Number of new diesel buses ordered	0	0	TBD
Number of new electric buses ordered	0	0	TBD
Number of disposed buses	0	0	TBD



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**Table 9 – Project/Plan Status
Georgia School Bus Replacements
July 1, 2018 – June 30, 2026**

Changes to the project plan during semiannual period:

No VW Mitigation Funds have been encumbered for this project to date. This project was added to Georgia's Mitigation Plan during the previous semiannual period.

Project status for installation and deployment of charging infrastructure:

Project has not commenced yet.

I attest that to the best of my knowledge the information provided is accurate.

Printed Name

Signature

Date

Stephanie Beck

Stephanie Beck

7/31/2026

If you have any questions, please contact Christian Hamby at (404) 692-5833.