

**REFINANCE PROMISSORY NOTE TO NEW MEXICO ENVIRONMENT DEPARTMENT
CLEAN WATER STATE REVOLVING LOAN FUND -also known as-
WASTEWATER FACILITY CONSTRUCTION LOAN PROGRAM**

Date: _____

This Refinance Promissory Note amends and replaces the Final Promissory Note dated February 28, 2011. This refinance and amendment to the original Final Promissory Note is intended to lower the annual interest rate and finance charges on the outstanding principal balance and shall be effective on the date of last signature below.

FOR VALUE RECEIVED, the **Incorporated County of Los Alamos**, through its Department of Public Utilities ("Borrower") hereby promises to pay pursuant to the Refinance Loan Agreement to the order of the **State of New Mexico, Environment Department**, in connection with the State's Clean Water State Revolving Fund Loan Program (NMED) at NMED's office located at:

New Mexico Environment Department
Construction Programs Bureau
P.O. Box 5469
1190 S. St. Francis Drive
Santa Fe, New Mexico 87502-5469

or at such other place as NMED may hereafter designate in writing, the principal amount of **Seven Million Twenty-Nine Thousand Five Hundred Four Dollars and Thirty-Seven Cents (\$7,029,504.37)** pursuant to the terms of the Refinance Loan Agreement, Loan No. CWSRF 1438143R ("Refinance Loan"), between NMED and the Borrower dated _____, 2018, plus **2.375%** for annual finance and administrative fees and charges until paid in full.

REPAYMENT RATE AND SCHEDULE

This principal amount as provided in the Refinance Loan Agreement bears an effective annual finance charges of 2.375% amortized over a seventeen (17) year term, with seventeen (17) equal annual payment installments of **Five Hundred Seven Thousand Four Hundred Three Dollars and Fifty-Eight Cents (\$507,403.58)**. The first payment by Borrower to NMED shall be due **April 7, 2019** and annually thereafter each **April 7th** through 2035, or until the Refinance Loan is paid in full. Payment in full shall constitute full satisfaction of this Refinance Promissory Note.

**Incorporated County of Los Alamos
Refinance Promissory Note**

PLEDGED REVENUES

The Borrower, for value received, gives a security interest in the Net Revenues of the Sewer Utility System. Net Revenues are as defined in Borrowers Ordinance No. 518, and Ordinance No. 683, passed and approved by the Borrower's County Council on ____, 2018.

ASSIGNMENT OF PAYMENTS

No assignment by NMED or the right to receive payments under this Refinance Promissory Note shall affect the Borrower's obligations or rights under this Refinance Promissory Note other than to make payments under this Refinance Note at the address(es) provided above. NMED shall provide, in advance, notice of any change or assignment of the right to receive payments, and shall timely provide the name, address, or location where payments shall be provided by Borrower.

DEBT SERVICE COVERAGE REQUIREMENT

The Borrower, pursuant to the Final Promissory Note and Ordinance 518, Refinance Loan Agreement, and this Refinance Promissory Note shall maintain a debt service coverage ratio of not less than 1.2 times the revenues of the Sewer Fund or the Borrower must maintain an identifiable debt reserve account.

COLLECTION AND DEFAULT

Collection and Default terms set forth in the Final Promissory Note remain binding on the parties.

PREPAYMENT

The Borrower may prepay all or any part of the principal on this Note without penalty. Refunds and extra payments, as defined in the regulations of NMED shall, after payment of interest due, be applied to the reduction of principal. After any prepayment of principal, the Borrower shall continue to pay the amounts listed in the Loan and Refinance Loan agreements and Final Promissory Note, and this note, until the entire principal and accrued interest are paid in full.

AUTHORITY

This Final Loan Agreement, Final Promissory Note, Refinance Loan Agreement, Refinance Promissory Note are authorized by the Wastewater Facility Construction Loan Act,

**Incorporated County of Los Alamos
Refinance Promissory Note**

NMSA 1978, § 74-6A-1 *et seq.*, as may be amended, the New Mexico Water Quality Control Commission Regulations, 20.7.5 NMAC, and the New Mexico Environment Department Regulations, 20.7.6-20.7.7 NMAC, and the Ordinance(s) of the Borrower.

This Note shall not constitute indebtedness or debt within the meaning of any constitutional, charter or statutory provision, or limitation, nor shall this Note be considered or held to be a general obligation of the Borrower. The obligations of the Borrower under the Agreement and Note are payable and collectible solely out of the Net Revenues as defined in the Borrower's Ordinance Number 518 and NMED or any other holders of the Agreement or Note may not look to any general or municipal fund for the payment of the principal or interest on the Agreement or Note.

IN WITNESS, WHEREOF, the Borrower has caused this Note to be duly executed and effective as of the date listed below by the Borrower.

INCORPORATED COUNTY OF LOS ALAMOS

Timothy A. Glasco, P.E., Utilities Manager

Date

ATTEST: (Seal)

Naomi D. Maestas
Los Alamos County Clerk