

\$2,020,000
INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO
NEW MEXICO FINANCE AUTHORITY DRINKING WATER LOAN
NO. DW-6368

STATE OF NEW MEXICO)
) ss. PLEDGED REVENUE CERTIFICATE
COUNTY OF LOS ALAMOS)

WHEREAS, the Incorporated County of Los Alamos, New Mexico (the “Governmental Unit”) pursuant to Ordinance No. 546 adopted on October 20, 2009 (the “PPRF-2461 Ordinance”), executed and delivered a Bond Purchase Agreement (the “2010 Senior Lien Obligation”) between the Governmental Unit and the New Mexico Finance Authority (the “Finance Authority”), in the aggregate principal amount of \$13,085,000. The 2010 Senior Lien Obligation is payable from a lien on the Net Revenues of the Joint Utility System (the “Pledged Revenues”); and

WHEREAS, the Governmental Unit pursuant to Ordinance No. 646 adopted on May 27, 2014 (the “PPRF-3150 Ordinance”), executed and delivered a Bond Purchase Agreement (the “2014 Bond Purchase Agreement”) between the Governmental Unit and the Finance Authority, in the aggregate principal amount of \$21,690,000. The 2014 Bond Purchase Agreement is payable from a lien on the Pledged Revenues; and

WHEREAS, the Governmental Unit, pursuant to Ordinance No. 706 adopted on February 23, 2021, amended and replaced by Ordinance No. 710 adopted on August 31, 2021 (the “DW-5456 Ordinance”), executed and delivered a Drinking Water State Revolving Loan Fund Loan and Subsidy Agreement dated April 9, 2021, amended by an Amended and Restated Drinking Water State Revolving Loan Fund Loan and Subsidy Agreement dated October 8, 2021 (the “DW-5456 Loan Agreement”) between the Governmental Unit and the Finance Authority, in the maximum principal amount of \$3,789,723.62. The DW-5456 Loan Agreement is payable from a lien on the Pledged Revenues; and

WHEREAS, the Governmental Unit, pursuant to Ordinance No. 714 adopted on May 24, 2022 (the “DW-5637 Ordinance”), executed and delivered a Drinking Water State Revolving Loan Fund Loan and Subsidy Agreement dated July 8, 2022 (the “DW-5637 Loan Agreement”) between the Governmental Unit and the Finance Authority, in the maximum principal amount of \$865,570. The DW-5637 Loan Agreement is payable from a lien on the Pledged Revenues; and

WHEREAS, the Governmental Unit, pursuant to Ordinance No. 717 adopted on May 24, 2022 ((the “DW-5638 Ordinance” and, together with the PPRF-3150 Ordinance, the DW-5456 Ordinance and the DW-5367 Ordinance, the “Parity Ordinances”), executed and delivered a Drinking Water State Revolving Loan Fund Loan and Subsidy Agreement dated July 8, 2022 (the “DW-5638 Loan Agreement” and, together with the 2014 Bond Purchase Agreement, the DW-5456 Loan Agreement and the DW-5637 Loan Agreement, the “Parity Loan Agreements”) between the Governmental Unit and the Finance Authority, in the maximum principal amount of \$2,727,000. The DW-5638 Loan Agreement is payable from a lien on the Pledged Revenues; and

WHEREAS, the Governmental Unit, pursuant to Ordinance No. 732 adopted on May 28, 2024 (the “DW-6368 Ordinance”), intends to execute and deliver on the date hereof its Drinking Water State Revolving Loan Fund Loan Agreement in the maximum principal amount of \$2,020,000 for the purpose of the cost of construction of electrical and mechanical upgrades, specifically the water production replacement of the Supervisory Control and Data Acquisition (“SCADA”) system and related appurtenances of the Project (the DW-6368 Loan Agreement”) payable from the Pledged Revenues, as set forth in the DW-5638 Loan Agreement; and

WHEREAS, Section 5.4, the “Additional Parity Obligations” of the DW-5638 Loan Agreement provides as follows:

“Section 5.4. Additional Parity Obligations Payable from Pledged Revenues. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.5 hereof), the Governmental Unit shall obtain the written consent of the Finance Authority and it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(b) No default shall exist in connection with any of the covenants or requirements of the Resolution or this Loan Agreement.

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the “Historic Test Period”) shall have been sufficient to pay an amount representing one hundred twenty percent (120%) of the combined maximum annual principal, interest requirement and the Administrative Fee Component coming due in any subsequent Fiscal Year on the then outstanding Senior Obligations, Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(d) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(e) With prior written notice to the Finance Authority, no provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to

prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.5 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior or superior to this Loan Agreement, without the written approval of the Finance Authority.”; and

WHEREAS, the principal and interest on the outstanding 2010 Senior Lien Obligation, Parity Loan Agreements and the proposed DW-6368 Loan Agreement coming due to their last principal payment date are shown on Exhibit A attached hereto.

NOW THEREFORE, the undersigned do hereby certify as follows:

1. We are familiar with the provisions of the PPRF-2461 Ordinance and the Parity Ordinances authorizing the execution and delivery of the 2010 Senior Lien Obligation and the Parity Loan Agreements and the DW-6368 Ordinance authorizing the execution and delivery of the DW-6368 Loan Agreement, and with the provisions of the 2010 Senior Lien Obligation, the Parity Loan Agreements and the DW-6368 Loan Agreement.

2. We are familiar with the books, accounts and funds of the Governmental Unit pertaining to the Pledged Revenues.

3. Except as stated in the preambles to this Certificate, the Pledged Revenues have not been pledged or hypothecated to the payment of any outstanding senior lien or parity lien obligations and no other outstanding senior lien or parity lien obligations are payable from the Pledged Revenues.

4. The Governmental Unit is not, and has not been in default as to making any payments on the 2010 Senior Lien Obligation or the Parity Loan Agreements, nor under any of the covenants or requirements of the 2010 Senior Lien Obligation or the Parity Loan Agreements.

5. The DW-6368 Loan Agreement is payable from the Pledged Revenues and will constitute a lien upon the Pledged Revenues subordinate to the lien of the outstanding 2010 Senior Lien Obligation and on parity with the liens of the outstanding Parity Loan Agreements.

6. The fiscal year immediately preceding the date of the DW-6368 Loan Agreement is the period commencing on July 1, 2022 and ending in June 30, 2023.

7. The Pledged Revenues for the fiscal year ended June 30, 2023 are fairly stated at \$10,242,788.

8. The combined maximum Aggregate Annual Debt Service Requirements on the 2010 Senior Lien Obligation, the Parity Loan Agreements and the DW-6368 Loan Agreement for the additional bonds test set out in the preambles of this Certificate occurs in Fiscal Year 2027 and is \$2,261,375.68. One hundred twenty percent (120%) of such amount is \$2,713,650.82.

9. The Pledged Revenues of \$10,242,788 (i.e., paragraph 7 above) for the fiscal year immediately preceding the date of the execution and delivery of the DW-6368 Loan Agreement

were sufficient to pay an amount representing one hundred twenty percent (120%) of the combined maximum Aggregate Annual Debt Service Requirements of \$2,261,375.68 on the 2010 Senior Lien Obligation, the Parity Loan Agreements and the DW-6368 Loan Agreement.

10. This certificate is for the benefit of each holder from time to time of the 2010 Senior Lien Obligation, the Parity Loan Agreements and the DW-6368 Loan Agreement and for the benefit of bond counsel in rendering opinions to the effect that the DW-6368 Loan Agreement is secured by a lien pledge on the Pledged Revenues on a parity with the Parity Loan Agreements.

(Signature Page Follows)

FINAL-DRAFT

WITNESS our hands this 12th day of July, 2024.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

[SEAL]

By _____
Denise Derkacs, Chair

By _____
Melissa Dadzie, Chief Financial Officer

By _____
Naomi D. Maestas, County Clerk