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DOCKET NO. W-02860A-05-0727 &
W-02860A-06-0002

Loan Agreement

between

Water Infrastructure Finance Authority of Arizona
(the "Authority")

and

Naco Water Company
(the "Local Borrower")

Evidencing a Loan from the
Authority to the Local Borrower

Dated as of September 27, 2007

Arizona Corporation Commission
DOCKETED

OCT 16 2007

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DOCKET CONTROL

**WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA
LOAN AGREEMENT**

This Loan Agreement (as it may be amended or supplemented from time to time, this "Agreement") is made and entered into as of the date set forth below by and between Borrower and Lender set forth below.

This Loan Agreement includes the attached Exhibits and the attached Standard Terms and Conditions. Any capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Exhibits and Standard Terms and Conditions.

Section 1. Party Names And Addresses.

Borrower:	Naco Water Company LLC
Borrower Mailing Address:	P.O. Box 85160 Tucson, Arizona 85754
Attention:	Bonnie O'Connor
Borrower Business Office Address:	Naco Water Company 2102 N Forbes Blvd., Ste. 107, Tucson, Arizona 85745
Lender:	Water Infrastructure Finance Authority of Arizona
Lender Address:	1110 West Washington Street, Suite 290 Phoenix, Arizona 85007
Attention:	Executive Director

Section 2. Loan Information. The terms of the Loan include the terms set forth in the Exhibits, which are part of this Agreement:

Exhibit A	Financial Assistance Terms and Conditions
Exhibit B	Technical Terms and Conditions
Exhibit C	Reporting Requirements
Exhibit D	Debt Service Reserve and Replacement Reserve Provisions
Exhibit E	Limits on Additional Indebtedness without Lender Consent
Exhibit F	Form of Promissory Note
Exhibit G	Form of Opinion of Counsel to Borrower
Exhibit H	Borrower Disclosure

Section 3. The Loan. Subject to the terms and conditions of this Agreement, Lender agrees to make the Loan to Borrower by means of one or more advances ("Advances") in an aggregate principal amount not to exceed the Loan Amount (the "Commitment"). The unadvanced portion of the Commitment shall expire on but not include the earliest of (i) the date on which the Loan

has been fully advanced by Lender, or (ii) the first Principal Repayment Date set forth in the Exhibit A. The obligation of Borrower to repay the Loan is evidenced by the Promissory Note in the form attached hereto as Exhibit F, dated of even date herewith, of Borrower payable to Lender, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time (the "Note"). In the event of a conflict between the Note and this Agreement, the terms of this Agreement shall be deemed controlling. The Loan shall not constitute a revolving loan, and amounts repaid may not be reborrowed.

Section 4. Advances. Lender may disburse funds by check, by electronic means or by means of magnetic tape or other transfer medium. In making Advances, Lender shall be entitled to rely upon, and shall incur no liability to Borrower in acting upon, any request made by a person identifying himself or herself as one of the persons authorized by Borrower to request Advances. Advances of the Loan will be made only upon satisfaction of the conditions set forth in this Agreement, including the following:

(a) Lender has received a draw request from Borrower, in form and substance satisfactory to Lender, not less than ten (10) days prior to the date for which such Advance is requested, specifying the amount and purpose of the Advance requested. Lender will furnish an acceptable form of draw request to Borrower. Lender may revise the form of draw request from time to time.

(b) Except as hereinafter provided, disbursements shall be made only upon certification of an authorized officer of Lender that such disbursement is proper. An authorized officer of Lender shall approve disbursements in payment of the invoices, demands for payment, approved contractors' estimates or other evidence of cost incurrence directly to the persons or entities entitled to payment or to Borrower in the case of reimbursement for costs of services already paid, and shall provide Borrower with a copy of the approval and the date approved.

(c) Lender has received such other items or documents as Lender may reasonably require.

Section 5. Payment Of Principal, Interest And Fees. The outstanding principal balance of the Loan, together with all unpaid accrued interest due under the Note, shall be paid by "automatic debit" from the Borrower Deposit Account. The Borrower Deposit Account shall be a Demand Deposit Account in the name of the Borrower, Account Number UX06153-86 maintained with UBS Financial Services, Inc. Borrower shall cause monthly payments to be made by direct debit to the Lender in accordance with routing instructions within Exhibit A.

Section 6. Loan And Security Documents. The Loan shall be secured by the Continuing Security Agreement of even date herewith executed by Borrower for the benefit of Lender (the "Continuing Security Agreement") granting Lender a security interest in the collateral described therein by the provisions of this Agreement providing for the holding of, and granting Lender a security interest in, the Debt Service Reserve Fund and the Replacement Reserve Fund (as described in Exhibit D). The Continuing Security Agreement, any Deed of Trust and any other agreements, documents or instruments securing the Loan are referred to as the "Security Documents". This Agreement, the Note, the Security Documents and any other agreements,

documents or instruments evidencing, securing or otherwise relating to the Loan, and all exhibits thereto, are referred to as the "Loan Documents".

IN WITNESS WHEREOF, the Authority and Borrower have caused this Loan Agreement to be executed and delivered as of the date of execution hererof.

DATED as of _____

Naco Water Company, *LLC*

By: *Salim S. Dominguez, Jr.*
Name: Salim Dominguez, *JR.*
Title: Trustee/Manager

Water Infrastructure Finance Authority of Arizona

By: *Judy Navarrete*
Judy Navarrete, Executive Director

GENERAL BORROWING RESOLUTIONS

To: Water Infrastructure Finance Authority of Arizona

THIS IS TO CERTIFY that, at a meeting attended by the sole Member of Naco Water Company, LLC, a limited liability company with one member, duly organized and existing under the laws of the State of Arizona, which meeting was properly and duly called in accordance with the Operating Agreement and Articles of Organization of said company, and held on the 26th day of September, 2007, at which meeting the sole Member was present, the only person legally qualified to act and transact matters as outlined below, the following Resolutions were adopted and the same have not been altered, amended, or revoked:

RESOLVED THAT this company is hereby authorized and empowered to enter into a loan transaction with WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA ("Lender") and borrow pursuant thereto, and that Salim S. Dominguez, Jr., the Member/Manager of this company, be, and he is hereby, authorized and empowered to act on behalf of this company, and in such capacity such officer is authorized and empowered to borrow from time to time on behalf of, and in the name of, the company from Lender such sums of money as such authorized officer or person may deem expedient, not exceeding in the aggregate at any one time the principal sum of One Million One Hundred Sixty Thousand and No/100 Dollars (\$1,160,000), on such terms and conditions as such authorized person or officer so acting hereunder may approve, including, without limitation, conferring the power to appoint a receiver, and to pledge, set over, transfer, assign, mortgage, hypothecate, grant security interests in, and otherwise encumber as security for the repayment of each of such loans, any assets of the company as may be required and agreed upon between such authorized officer or person and Lender, and to execute and deliver to Lender on behalf of, and in the name of, the company, the company's evidence(s) of indebtedness stating the company's promise and obligation to pay said principal sum(s), together with any other amounts which may be provided for in such instrument(s) evidencing said indebtedness and from time to time, when any obligation evidencing any of such loans matures, to renew the loan(s) in whole or in part until the same are paid in full; and

FURTHER RESOLVED, that such authorized officer or person, be, and he is hereby, authorized and empowered to execute on behalf of, and in the name of, the company from time to time loan agreements, instruments granting Lender a security interest in any assets of the company, and supplements to each, together with any and all other security agreements, instruments, and documents as may be required and agreed upon between such officer or person and Lender or which such officer or person may deem expedient in carrying out the intents and purposes of the Resolutions set forth herein; and

FURTHER RESOLVED, that these Resolutions relate solely to general company borrowing and do not in any manner whatsoever limit the amount of any company borrowing heretofore or hereafter made under any other financing arrangement, and that these Resolutions are mutually exclusive, cumulative as to amounts, and shall not serve to revoke or alter any Resolutions previously delivered to Lender or (unless specifically otherwise provided) be revoked by any Resolutions subsequently delivered to Lender relating to general or specific financing arrangements between Lender and the company; and

RESOLVED FURTHER, that for action of the Lender in reliance thereon, the Manager of this company certify and deliver to the said Lender a copy of these Resolutions, and that these Resolutions shall remain in full force and effect until written notice of their repeal shall have been received by Lender and until all indebtedness which may have been incurred as aforesaid shall have been paid and satisfied.

I FURTHER CERTIFY that the authority conferred is not inconsistent with the Laws of the State of Arizona or the State wherein this company was chartered, nor the Articles of Organization or Operating Agreement of this company.

IN WITNESS WHEREOF, the Member/Manager of this company has hereunto set his hand officially and affixed the seal of this company this 26th day of September, 2007.

NACO WATER COMPANY, LLC



By: SALIM S. DOMINGUEZ, JR.
Its: Member/Manager

STATE OF ARIZONA)
 : ss
County of Pima)

On September 26, 2007, before me, the undersigned Notary Public, personally appeared SALIM S. DOMINGUEZ, JR., personally known to me or proven

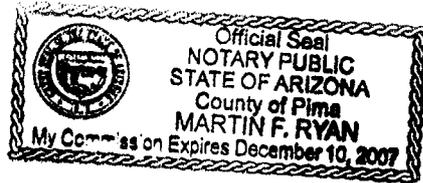
to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument he, or the entity upon behalf of which he acted, executed the instrument.

WITNESS my hand and official seal.

Martin F. Ryan

Notary Public

My commission expires: 12/10/2007



Loan Resolution 2007-022 – Naco Water Company
Water Infrastructure Finance Authority of Arizona

Section 1: Resolution

WHEREAS, the Water Infrastructure Finance Authority of Arizona (the "*Authority*") has received from Naco Water Company (the "*Local Borrower*") a request for a loan (the "*Loan*"); and

WHEREAS, the Authority has determined that the Local Borrower has met the requirements of Arizona Revised Statutes §49-1201 et seq. (the "*Act*") and the rules promulgated thereunder (the "*Rules*"); and

WHEREAS, the terms and conditions under which a Loan will be made and the obligations of the Local Borrower will be set forth in a loan agreement or bond purchase agreement (the "*Loan Agreement*") to be executed by the Local Borrower and the Authority.

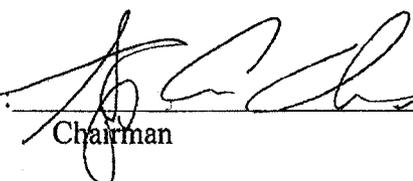
NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY AS FOLLOWS:

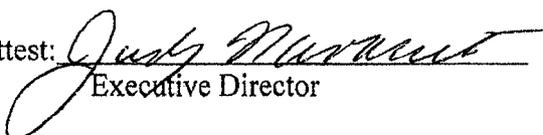
The Executive Director of the Authority is hereby authorized and directed to execute a Loan Agreement with the Local Borrower to evidence a Loan in accordance with the Act, the Rules, the Local Borrower's applications to the Authority, and the Project Summary detailed in Section 2 of this Loan Resolution.

The Executive Director and other Authority officials, as appropriate, are authorized and directed to sign any document and take such actions as necessary and appropriate to consummate the transactions contemplated by this Resolution and the Loan Agreement and to ensure that the Local Borrower has completed all requirements of the Authority as detailed in Section 3, Section 4, and Section 5 of this Loan Resolution.

This Resolution shall take effect immediately and shall terminate one year from the date of Board Action.

Dated: June 20, 2007

By: 
Chairman

Attest: 
Executive Director

Loan Resolution 2007-022 – Naco Water Company ***Water Infrastructure Finance Authority of Arizona***

Section 2: Project Summary

2.1 Project Number(s)

DW 004-2007

2.2 Project Priority Data

<u>PL Rank</u>	<u>Funding Cycle</u>	<u>Population Served</u>	<u>Subsidy Rate</u>
8	2007	1,284	70%

2.3 Project Description(s)

The Naco Water Company proposes to use the loan proceeds to finance upgrades needed to reduce water loss, develop a new water source, and complete well site improvements and miscellaneous compliance upgrades.

2.4 Previous Board or Committee Actions

July 11, 2000 – Board adopted Loan Resolution #2000-023 to amend loan agreement #922022-99 to increase the total loan amount in an amount not to exceed \$71,000 and decrease the Combined Interest and Fee Rate equal to 3.75% for no more than 20 years.

February 16, 1999 – Board adopted Loan Resolution #99-006 to award \$600,000 at a rate of 5.04% for 20 years (Loan # 922022-99) to Naco Water Company.

April 14, 1998 -- Board adopted Binding Commitment Resolution 98-014

June 2005 – Board adopted the FC 2006 TA PPL which granted \$35,000 to Naco Water Company for engineering services related to this project.

2.5 Project Finance Committee Recommendations

June 6, 2007 – Project Finance Committee reviewed the project due diligence summary and recommended approval by the Board.

Section 3: Financial Assistance Terms & Conditions (Section 7.1 of Due Diligence)

Financial Assistance Amount: \$1,160,000

Primary Repayment Source: System Revenues

***Loan Resolution 2007-022 – Naco Water Company
Water Infrastructure Finance Authority of Arizona***

Secondary Repayment Source: None

Loan Term: 30 years

Frequency of Repayment:

Semi-Annual Monthly Other:

Loan Structure: Level 2 – Fixture Filing

Debt Service Reserve Fund Requirements:

WIFA Local - Separate Local – Not Separate Surety None

Repair and Replacement Fund Requirements:

Local - Separate Local – Not Separate None

Requirements Prior to Loan Execution:

Require Legal Opinion: Yes No

Other: None

Requirements Prior to Construction: None

Requirement During Construction: None

Requirements Prior to Final Disbursements: None

Loan Category:

Qualified, Pledged Qualified, Not Pledged Not Qualified

Policy Exceptions: None

Section 4: Technical Terms & Conditions (Section 7.2 of Due Diligence)

Observation Schedule:

Schedule A Schedule B Schedule C

Loan Resolution 2007-022 – Naco Water Company
Water Infrastructure Finance Authority of Arizona

Withholding Percentage:

15% 10% 5%

Requirements Prior to Loan Execution: None

Requirements Prior to Construction:

Prior Review and Approval of Construction Bids: Yes No

Require Construction Signs: Yes No

Other: None

Requirement During Construction:

Prior Review of Changes in Project Scope: No Yes

Other: None

Requirements Prior to Final Disbursements:

Require Plan of Operation: No Yes

Require Final Approval: No Yes

Other: None

Policy Exceptions: None

Section 5: Additional Notice & Reporting Requirements (Section 7.3 of Due Diligence)

WIFA to generate Press Release: Yes No

Other: None

Exhibit A of Loan Agreement

Section 1: Financial Assistance Terms and Conditions Naco Water Company 26-Sep-07

Loan Number..... 920124-08

Closing Date..... 09/27/07

Financial Assistance Terms and Conditions

Original Loan Amount as of the Closing Date..... \$ 1,160,000.00
Final Loan Amount as of Release of Retention..... \$ 1,160,000.00
Loan Term..... 30
First Fixed Monthly Payment..... 04/01/08
Final Fixed Monthly Payment..... 03/01/37

Debt Service Reserve Fund Requirements (Held by WIFA)

Total Reserve Amount..... \$ 52,087.96
Monthly Deposit..... \$ 868.13
Reserve Funded by (Date)..... 03/01/13

WIFA will apply earnings on Debt Service Reserve to Principal Repayment.

Repair and Replacement Fund Requirement (Held by Borrower)

Begin Funding on (Date)..... 04/01/13
Annual Amount..... \$ 10,417.59
Monthly Deposit..... \$ 868.13

Monthly Payment

Period #7 - 1st Debt Service Payment

Maximum Payment (Includes interest payable from Closing to 1st Payment)..... \$ 14,970.81
Minimum Payment \$ 5,208.80

WIFA will calculate the first payment due on Period #7; payment will depend on actual loan draws.

Periods #8 through #66..... \$ 5,208.80
Periods #67 through #120..... \$ 4,906.81
Periods #121 through #180..... \$ 5,512.06
Periods #181 through #240..... \$ 6,154.28
Periods #241 through #300..... \$ 6,830.98
Periods #301 through #360..... \$ 6,830.98

Section 3: Loan Repayment Schedule, Repayment Periods 1 through 80
Naco Water Company
26-Sep-07

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
1	10/01/07	2.000%	0.00	41	02/01/11	2.000%	5,208.80
2	11/01/07	2.000%	0.00	42	03/01/11	2.000%	5,208.80
3	12/01/07	2.000%	0.00	43	04/01/11	2.000%	5,208.80
4	01/01/08	2.000%	0.00	44	05/01/11	2.000%	5,208.80
5	02/01/08	2.000%	0.00	45	06/01/11	2.000%	5,208.80
6	03/01/08	2.000%	0.00	46	07/01/11	2.000%	5,208.80
7	04/01/08	2.000%	14,970.81	47	08/01/11	2.000%	5,208.80
8	05/01/08	2.000%	5,208.80	48	09/01/11	2.000%	5,208.80
9	06/01/08	2.000%	5,208.80	49	10/01/11	2.000%	5,208.80
10	07/01/08	2.000%	5,208.80	50	11/01/11	2.000%	5,208.80
11	08/01/08	2.000%	5,208.80	51	12/01/11	2.000%	5,208.80
12	09/01/08	2.000%	5,208.80	52	01/01/12	2.000%	5,208.80
13	10/01/08	2.000%	5,208.80	53	02/01/12	2.000%	5,208.80
14	11/01/08	2.000%	5,208.80	54	03/01/12	2.000%	5,208.80
15	12/01/08	2.000%	5,208.80	55	04/01/12	2.000%	5,208.80
16	01/01/09	2.000%	5,208.80	56	05/01/12	2.000%	5,208.80
17	02/01/09	2.000%	5,208.80	57	06/01/12	2.000%	5,208.80
18	03/01/09	2.000%	5,208.80	58	07/01/12	2.000%	5,208.80
19	04/01/09	2.000%	5,208.80	59	08/01/12	2.000%	5,208.80
20	05/01/09	2.000%	5,208.80	60	09/01/12	2.000%	5,208.80
21	06/01/09	2.000%	5,208.80	61	10/01/12	2.000%	5,208.80
22	07/01/09	2.000%	5,208.80	62	11/01/12	2.000%	5,208.80
23	08/01/09	2.000%	5,208.80	63	12/01/12	2.000%	5,208.80
24	09/01/09	2.000%	5,208.80	64	01/01/13	2.000%	5,208.80
25	10/01/09	2.000%	5,208.80	65	02/01/13	2.000%	5,208.80
26	11/01/09	2.000%	5,208.80	66	03/01/13	2.000%	5,208.80
27	12/01/09	2.000%	5,208.80	67	04/01/13	2.944%	4,906.81
28	01/01/10	2.000%	5,208.80	68	05/01/13	2.944%	4,906.81
29	02/01/10	2.000%	5,208.80	69	06/01/13	2.944%	4,906.81
30	03/01/10	2.000%	5,208.80	70	07/01/13	2.944%	4,906.81
31	04/01/10	2.000%	5,208.80	71	08/01/13	2.944%	4,906.81
32	05/01/10	2.000%	5,208.80	72	09/01/13	2.944%	4,906.81
33	06/01/10	2.000%	5,208.80	73	10/01/13	2.944%	4,906.81
34	07/01/10	2.000%	5,208.80	74	11/01/13	2.944%	4,906.81
35	08/01/10	2.000%	5,208.80	75	12/01/13	2.944%	4,906.81
36	09/01/10	2.000%	5,208.80	76	01/01/14	2.944%	4,906.81
37	10/01/10	2.000%	5,208.80	77	02/01/14	2.944%	4,906.81
38	11/01/10	2.000%	5,208.80	78	03/01/14	2.944%	4,906.81
39	12/01/10	2.000%	5,208.80	79	04/01/14	2.944%	4,906.81
40	01/01/11	2.000%	5,208.80	80	05/01/14	2.944%	4,906.81

Section 3: Loan Repayment Schedule, Repayment Periods 81 through 160
Naco Water Company
26-Sep-07

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
81	06/01/14	2.944%	4,906.81	121	10/01/17	3.888%	5,512.06
82	07/01/14	2.944%	4,906.81	122	11/01/17	3.888%	5,512.06
83	08/01/14	2.944%	4,906.81	123	12/01/17	3.888%	5,512.06
84	09/01/14	2.944%	4,906.81	124	01/01/18	3.888%	5,512.06
85	10/01/14	2.944%	4,906.81	125	02/01/18	3.888%	5,512.06
86	11/01/14	2.944%	4,906.81	126	03/01/18	3.888%	5,512.06
87	12/01/14	2.944%	4,906.81	127	04/01/18	3.888%	5,512.06
88	01/01/15	2.944%	4,906.81	128	05/01/18	3.888%	5,512.06
89	02/01/15	2.944%	4,906.81	129	06/01/18	3.888%	5,512.06
90	03/01/15	2.944%	4,906.81	130	07/01/18	3.888%	5,512.06
91	04/01/15	2.944%	4,906.81	131	08/01/18	3.888%	5,512.06
92	05/01/15	2.944%	4,906.81	132	09/01/18	3.888%	5,512.06
93	06/01/15	2.944%	4,906.81	133	10/01/18	3.888%	5,512.06
94	07/01/15	2.944%	4,906.81	134	11/01/18	3.888%	5,512.06
95	08/01/15	2.944%	4,906.81	135	12/01/18	3.888%	5,512.06
96	09/01/15	2.944%	4,906.81	136	01/01/19	3.888%	5,512.06
97	10/01/15	2.944%	4,906.81	137	02/01/19	3.888%	5,512.06
98	11/01/15	2.944%	4,906.81	138	03/01/19	3.888%	5,512.06
99	12/01/15	2.944%	4,906.81	139	04/01/19	3.888%	5,512.06
100	01/01/16	2.944%	4,906.81	140	05/01/19	3.888%	5,512.06
101	02/01/16	2.944%	4,906.81	141	06/01/19	3.888%	5,512.06
102	03/01/16	2.944%	4,906.81	142	07/01/19	3.888%	5,512.06
103	04/01/16	2.944%	4,906.81	143	08/01/19	3.888%	5,512.06
104	05/01/16	2.944%	4,906.81	144	09/01/19	3.888%	5,512.06
105	06/01/16	2.944%	4,906.81	145	10/01/19	3.888%	5,512.06
106	07/01/16	2.944%	4,906.81	146	11/01/19	3.888%	5,512.06
107	08/01/16	2.944%	4,906.81	147	12/01/19	3.888%	5,512.06
108	09/01/16	2.944%	4,906.81	148	01/01/20	3.888%	5,512.06
109	10/01/16	2.944%	4,906.81	149	02/01/20	3.888%	5,512.06
110	11/01/16	2.944%	4,906.81	150	03/01/20	3.888%	5,512.06
111	12/01/16	2.944%	4,906.81	151	04/01/20	3.888%	5,512.06
112	01/01/17	2.944%	4,906.81	152	05/01/20	3.888%	5,512.06
113	02/01/17	2.944%	4,906.81	153	06/01/20	3.888%	5,512.06
114	03/01/17	2.944%	4,906.81	154	07/01/20	3.888%	5,512.06
115	04/01/17	2.944%	4,906.81	155	08/01/20	3.888%	5,512.06
116	05/01/17	2.944%	4,906.81	156	09/01/20	3.888%	5,512.06
117	06/01/17	2.944%	4,906.81	157	10/01/20	3.888%	5,512.06
118	07/01/17	2.944%	4,906.81	158	11/01/20	3.888%	5,512.06
119	08/01/17	2.944%	4,906.81	159	12/01/20	3.888%	5,512.06
120	09/01/17	2.944%	4,906.81	160	01/01/21	3.888%	5,512.06

Section 3: Loan Repayment Schedule, Periods 161 through 240

Naco Water Company

26-Sep-07

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
161	02/01/21	3.888%	5,512.06	201	06/01/24	4.831%	6,154.28
162	03/01/21	3.888%	5,512.06	202	07/01/24	4.831%	6,154.28
163	04/01/21	3.888%	5,512.06	203	08/01/24	4.831%	6,154.28
164	05/01/21	3.888%	5,512.06	204	09/01/24	4.831%	6,154.28
165	06/01/21	3.888%	5,512.06	205	10/01/24	4.831%	6,154.28
166	07/01/21	3.888%	5,512.06	206	11/01/24	4.831%	6,154.28
167	08/01/21	3.888%	5,512.06	207	12/01/24	4.831%	6,154.28
168	09/01/21	3.888%	5,512.06	208	01/01/25	4.831%	6,154.28
169	10/01/21	3.888%	5,512.06	209	02/01/25	4.831%	6,154.28
170	11/01/21	3.888%	5,512.06	210	03/01/25	4.831%	6,154.28
171	12/01/21	3.888%	5,512.06	211	04/01/25	4.831%	6,154.28
172	01/01/22	3.888%	5,512.06	212	05/01/25	4.831%	6,154.28
173	02/01/22	3.888%	5,512.06	213	06/01/25	4.831%	6,154.28
174	03/01/22	3.888%	5,512.06	214	07/01/25	4.831%	6,154.28
175	04/01/22	3.888%	5,512.06	215	08/01/25	4.831%	6,154.28
176	05/01/22	3.888%	5,512.06	216	09/01/25	4.831%	6,154.28
177	06/01/22	3.888%	5,512.06	217	10/01/25	4.831%	6,154.28
178	07/01/22	3.888%	5,512.06	218	11/01/25	4.831%	6,154.28
179	08/01/22	3.888%	5,512.06	219	12/01/25	4.831%	6,154.28
180	09/01/22	3.888%	5,512.06	220	01/01/26	4.831%	6,154.28
181	10/01/22	4.831%	6,154.28	221	02/01/26	4.831%	6,154.28
182	11/01/22	4.831%	6,154.28	222	03/01/26	4.831%	6,154.28
183	12/01/22	4.831%	6,154.28	223	04/01/26	4.831%	6,154.28
184	01/01/23	4.831%	6,154.28	224	05/01/26	4.831%	6,154.28
185	02/01/23	4.831%	6,154.28	225	06/01/26	4.831%	6,154.28
186	03/01/23	4.831%	6,154.28	226	07/01/26	4.831%	6,154.28
187	04/01/23	4.831%	6,154.28	227	08/01/26	4.831%	6,154.28
188	05/01/23	4.831%	6,154.28	228	09/01/26	4.831%	6,154.28
189	06/01/23	4.831%	6,154.28	229	10/01/26	4.831%	6,154.28
190	07/01/23	4.831%	6,154.28	230	11/01/26	4.831%	6,154.28
191	08/01/23	4.831%	6,154.28	231	12/01/26	4.831%	6,154.28
192	09/01/23	4.831%	6,154.28	232	01/01/27	4.831%	6,154.28
193	10/01/23	4.831%	6,154.28	233	02/01/27	4.831%	6,154.28
194	11/01/23	4.831%	6,154.28	234	03/01/27	4.831%	6,154.28
195	12/01/23	4.831%	6,154.28	235	04/01/27	4.831%	6,154.28
196	01/01/24	4.831%	6,154.28	236	05/01/27	4.831%	6,154.28
197	02/01/24	4.831%	6,154.28	237	06/01/27	4.831%	6,154.28
198	03/01/24	4.831%	6,154.28	238	07/01/27	4.831%	6,154.28
199	04/01/24	4.831%	6,154.28	239	08/01/27	4.831%	6,154.28
200	05/01/24	4.831%	6,154.28	240	09/01/27	4.831%	6,154.28

Section 3: Loan Repayment Schedule, Periods 241 through 320
Naco Water Company
26-Sep-07

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
241	10/01/27	5.775%	6,830.98	281	02/01/31	5.775%	6,830.98
242	11/01/27	5.775%	6,830.98	282	03/01/31	5.775%	6,830.98
243	12/01/27	5.775%	6,830.98	283	04/01/31	5.775%	6,830.98
244	01/01/28	5.775%	6,830.98	284	05/01/31	5.775%	6,830.98
245	02/01/28	5.775%	6,830.98	285	06/01/31	5.775%	6,830.98
246	03/01/28	5.775%	6,830.98	286	07/01/31	5.775%	6,830.98
247	04/01/28	5.775%	6,830.98	287	08/01/31	5.775%	6,830.98
248	05/01/28	5.775%	6,830.98	288	09/01/31	5.775%	6,830.98
249	06/01/28	5.775%	6,830.98	289	10/01/31	5.775%	6,830.98
250	07/01/28	5.775%	6,830.98	290	11/01/31	5.775%	6,830.98
251	08/01/28	5.775%	6,830.98	291	12/01/31	5.775%	6,830.98
252	09/01/28	5.775%	6,830.98	292	01/01/32	5.775%	6,830.98
253	10/01/28	5.775%	6,830.98	293	02/01/32	5.775%	6,830.98
254	11/01/28	5.775%	6,830.98	294	03/01/32	5.775%	6,830.98
255	12/01/28	5.775%	6,830.98	295	04/01/32	5.775%	6,830.98
256	01/01/29	5.775%	6,830.98	296	05/01/32	5.775%	6,830.98
257	02/01/29	5.775%	6,830.98	297	06/01/32	5.775%	6,830.98
258	03/01/29	5.775%	6,830.98	298	07/01/32	5.775%	6,830.98
259	04/01/29	5.775%	6,830.98	299	08/01/32	5.775%	6,830.98
260	05/01/29	5.775%	6,830.98	300	09/01/32	5.775%	6,830.98
261	06/01/29	5.775%	6,830.98	301	10/01/32	5.775%	6,830.98
262	07/01/29	5.775%	6,830.98	302	11/01/32	5.775%	6,830.98
263	08/01/29	5.775%	6,830.98	303	12/01/32	5.775%	6,830.98
264	09/01/29	5.775%	6,830.98	304	01/01/33	5.775%	6,830.98
265	10/01/29	5.775%	6,830.98	305	02/01/33	5.775%	6,830.98
266	11/01/29	5.775%	6,830.98	306	03/01/33	5.775%	6,830.98
267	12/01/29	5.775%	6,830.98	307	04/01/33	5.775%	6,830.98
268	01/01/30	5.775%	6,830.98	308	05/01/33	5.775%	6,830.98
269	02/01/30	5.775%	6,830.98	309	06/01/33	5.775%	6,830.98
270	03/01/30	5.775%	6,830.98	310	07/01/33	5.775%	6,830.98
271	04/01/30	5.775%	6,830.98	311	08/01/33	5.775%	6,830.98
272	05/01/30	5.775%	6,830.98	312	09/01/33	5.775%	6,830.98
273	06/01/30	5.775%	6,830.98	313	10/01/33	5.775%	6,830.98
274	07/01/30	5.775%	6,830.98	314	11/01/33	5.775%	6,830.98
275	08/01/30	5.775%	6,830.98	315	12/01/33	5.775%	6,830.98
276	09/01/30	5.775%	6,830.98	316	01/01/34	5.775%	6,830.98
277	10/01/30	5.775%	6,830.98	317	02/01/34	5.775%	6,830.98
278	11/01/30	5.775%	6,830.98	318	03/01/34	5.775%	6,830.98
279	12/01/30	5.775%	6,830.98	319	04/01/34	5.775%	6,830.98
280	01/01/31	5.775%	6,830.98	320	05/01/34	5.775%	6,830.98

Section 3: Loan Repayment Schedule, Periods 320 through 360
Naco Water Company
26-Sep-07

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
321	06/01/34	5.775%	6,830.98	341	02/01/36	5.775%	6,830.98
322	07/01/34	5.775%	6,830.98	342	03/01/36	5.775%	6,830.98
323	08/01/34	5.775%	6,830.98	343	04/01/36	5.775%	6,830.98
324	09/01/34	5.775%	6,830.98	344	05/01/36	5.775%	6,830.98
325	10/01/34	5.775%	6,830.98	345	06/01/36	5.775%	6,830.98
326	11/01/34	5.775%	6,830.98	346	07/01/36	5.775%	6,830.98
327	12/01/34	5.775%	6,830.98	347	08/01/36	5.775%	6,830.98
328	01/01/35	5.775%	6,830.98	348	09/01/36	5.775%	6,830.98
329	02/01/35	5.775%	6,830.98	349	10/01/36	5.775%	6,830.98
330	03/01/35	5.775%	6,830.98	350	11/01/36	5.775%	6,830.98
331	04/01/35	5.775%	6,830.98	351	12/01/36	5.775%	6,830.98
332	05/01/35	5.775%	6,830.98	352	01/01/37	5.775%	6,830.98
333	06/01/35	5.775%	6,830.98	353	02/01/37	5.775%	6,830.98
334	07/01/35	5.775%	6,830.98	354	03/01/37	5.775%	6,830.98
335	08/01/35	5.775%	6,830.98	355	04/01/37	5.775%	6,830.98
336	09/01/35	5.775%	6,830.98	356	05/01/37	5.775%	6,830.98
337	10/01/35	5.775%	6,830.98	357	06/01/37	5.775%	6,830.98
338	11/01/35	5.775%	6,830.98	358	07/01/37	5.775%	6,830.98
339	12/01/35	5.775%	6,830.98	359	08/01/37	5.775%	6,830.98
340	01/01/36	5.775%	6,830.98	360	09/01/37	3.521%	6,830.98