

STATE OF NEW MEXICO           §  
  §  
COUNTIES OF DOÑA ANA       §  
AND OTERO                       §  
  §  
GADSDEN INDEPENDENT         §  
SCHOOL DISTRICT NO. 16       §

The Board of Education of the Gadsden Independent School District No. 16 ("Board") in the Counties of Doña Ana and Otero and State of New Mexico, met in regular session, in full conformity with law and the rules and regulations of the Board, at Desert Trail Elementary School, Chaparral, New Mexico, being the regular meeting place of the Board, on Thursday, the 9<sup>th</sup> day of August, 2007 at the hour of 5:00 p.m. The duly elected officers and members of the Board were as follows:

President:	Maria Saenz
Vice President:	Jennifer Viramontes
Secretary:	Manuela Huerta
Members:	Craig Ford
	Daniel Castillo

Upon roll call, the following members of the Board were found to be present:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following members were found to be absent:

\_\_\_\_\_  
\_\_\_\_\_

The Interim Superintendent of Schools, Cynthia Nava, was also present.

Interim Superintendent Nava thereupon introduced the resolution entitled as follows and recommended its adoption by the Board:

**RESOLUTION DETERMINING THE NECESSITY FOR LEASE PURCHASE OF EDUCATION TECHNOLOGY EQUIPMENT, ESTIMATE OF COST, STATEMENT OF SOURCE OF FUNDS FOR LEASE PURCHASE PAYMENTS, ESTIMATED TAX RATE AND DIRECTING DISTRICT'S FINANCIAL ADVISOR AND BOND COUNSEL TO PREPARE LEASE PURCHASE ARRANGEMENT FOR THE DISTRICT'S ACQUISITION OF CERTAIN EDUCATIONAL TECHNOLOGY EQUIPMENT AND ESTABLISHING DATE FOR MEETING TO CONSIDER A RESOLUTION GRANTING FINAL APPROVAL TO THE LEASE PURCHASE OF EDUCATION TECHNOLOGY EQUIPMENT**

Member \_\_\_\_\_ then moved the adoption of the foregoing entitled resolution. Member \_\_\_\_\_ seconded such motion. The motion to adopt said resolution was thereupon put to a vote and was passed and adopted on the following recorded vote:

Those Voting Aye:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those Abstaining:

\_\_\_\_\_  
\_\_\_\_\_

There being no other matters for consideration, the meeting was adjourned.

Dated at Chaparral, New Mexico, this 9<sup>th</sup> day of August 2007.

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President, Board of Education  
Gadsden Independent School District No. 16

[Seal]

Attest:

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Secretary, Board of Education  
Gadsden Independent School District No. 16

**RESOLUTION DETERMINING THE NECESSITY FOR LEASE PURCHASE  
OF EDUCATION TECHNOLOGY EQUIPMENT, ESTIMATE OF COST,  
STATEMENT OF SOURCE OF FUNDS FOR LEASE PURCHASE PAYMENTS,  
ESTIMATED TAX RATE AND DIRECTING DISTRICT'S FINANCIAL ADVISOR  
AND BOND COUNSEL TO PREPARE LEASE PURCHASE ARRANGEMENT FOR  
THE DISTRICT'S ACQUISITION OF CERTAIN EDUCATIONAL TECHNOLOGY  
EQUIPMENT AND ESTABLISHING DATE FOR MEETING TO CONSIDER A  
RESOLUTION GRANTING FINAL APPROVAL TO THE LEASE PURCHASE OF  
EDUCATION TECHNOLOGY EQUIPMENT**

**WHEREAS**, on August 9, 2007, the Board of Education of the Gadsden Independent School District No. 16 ("Board" and "District" respectively), Doña Ana and Otero Counties, New Mexico has determined it is in the best interest of the District to acquire education technology equipment by entering into a lease purchase arrangement under the Education Technology Equipment Act, NMSA 1978, Sections 6-15A-1 to 6-15A-16 ("Act"); and

**WHEREAS**, the Board has been provided adequate information regarding the necessity to enter into a lease purchase arrangement, pursuant to the Act, to lease purchase \$1,500,000 certain education technology equipment and to pay the costs related to the financing of such lease purchase arrangement; and

**WHEREAS**, the Board desires to have its Financial Advisor, RBC Capital Markets, and Co-Special Counsel, Cuddy, Kennedy, Albetta & Ives, LLP and McCall, Parkhurst & Horton L.L.P., draft and assemble the necessary documentation for lease purchase agreement transaction or a general obligation lease purchase certificates of participation as the "lease purchase arrangement" so as to allow the District to receive the education technology equipment as soon as possible; and

**WHEREAS**, before initiating any proceedings for the final approval of a lease purchase arrangement, the District is required to give notice of the proposed lease purchase arrangement to the School Budget Planning and Finance Analysis Unit of the New Mexico Public Education Department pursuant to Section 6-15A-4 of the Act; and

**WHEREAS**, the Board desires to authorize the appropriate officers, employees and agents of the District and the District's Financial Advisor and Co-Special Counsel to take any action necessary to enable the District to enter into the lease purchase arrangement on October 1, 2007.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16 THAT:**

**Section 1.** The Board has determined and does determine that there is a necessity to enter into a lease purchase arrangement for the lease purchase of educational technology equipment at an estimated cost of \$1,500,000 as authorized pursuant to the Act.

**Section 2.** The District's staff, Financial Advisor and Co-Special Counsel are hereby authorized and directed to take all actions necessary so that the actions of the Board relating to the lease purchase arrangement may be considered by the Board on August 9, 2007.

**Section 3.** It is the present intention of the Board that the lease purchase arrangement contemplated hereby, if (i) a lease purchase agreement, be entered into with a financial institution to be determined or (ii) a general obligation lease purchase certificates of participation and sold at a competitive sale, and, in each case, structured pursuant to the recommendations of the District's Financial Advisor. The Financial Advisor's preliminary structure is attached hereto as Exhibit A.

**Section 4.** A summary of the lease purchase agreement, to be utilized in both alternative lease purchase arrangement, reviewed by the Board is attached as Exhibit B.

**Section 5.** The Board determines that all or part of the funds needed for payment of the lease purchase arrangement requires or anticipates the imposition of a property tax which the Board estimates will be levied at the rate of \_\_\_\_\_ Mill (\$\_\_\_\_\_ per \$1,000) on the assessed value of all taxable property within the District in the first year of the lease purchase arrangement and will decrease thereafter.

**Section 6.** A special meeting to consider final approval to the lease purchase arrangement is called and set for September \_\_\_\_\_, 2007, being not more than four weeks and not less than three weeks from the date of the adoption of this Resolution.

**Section 7.** Notice of the Special Meeting on September \_\_\_\_\_, 2007 will be published once each week for the two weeks immediately preceding September \_\_\_\_\_, 2007 in a newspaper having general circulation in the District. The Notice will include the information required by Section 6-15A-8B.(1)-(6).

**Section 8.** The President of the Board and the Superintendent or Interim Superintendent of the District are hereby authorized to make any filings, notices, applications or take any other action necessary, including notice to the School Budget Planning Unit of the New Mexico Public Education Department and the approval of any official statement related to any general obligation lease purchase certificates of participation, if necessary.

**Section 9.** All recitals and findings contained in the preamble hereof are found to be true and correct and are made a part of this Resolution.

**Section 10.** This Resolution shall take effect on the date adopted and approved as set forth below.

Adopted and approved on this 9<sup>th</sup> day of August 2007.

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President, Board of Education,  
Gadsden Independent School District No. 16

(SEAL)

Attest:

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Secretary, Board of Education,  
Gadsden Independent School District No. 16

## EXHIBIT A

### Expected Structure of the Lease Purchase Arrangement

**Dated date:** October 16, 2007

**Award:** Special board meeting on September \_\_\_\_\_, 2007 at 5:00 p.m.

**Interest Component  
Rent Payments:** Semi-annually on August 15 and February 15, commencing August 15, 2008.

**Principal Component  
Rent Payments:** Annually on August 15 in the following years and amounts:

2008	\$215,000
2009	200,000
2010	200,000
2011	440,000
2012	445,000

**Prepayment:** Rent Payments under this Lease Purchase Agreement may be prepaid on and after \_\_\_\_\_, 20\_\_\_\_.

**Closing:** Closing is expected to occur on October 16, 2007 at 9:30 a.m.

## EXHIBIT B

### Summary of Lease Purchase Agreement

1. The Lease Purchase Agreement amount shall be \$1,500,000 payable at closing for the lease purchase of education technology equipment. Lease purchase payments ("Rent Payments") constituting the principal component thereof shall begin on August 15, 2008 and be paid annually thereafter until paid in full according to the following schedule provided, that in no event shall the term of the Lease Purchase Agreement exceed five years:

2008	\$215,000
2009	200,000
2010	200,000
2011	440,000
2012	445,000

2. The interest component of Rent Payments shall be paid semi-annually at the rate not to exceed 5% on each August 15 and February 15, payment commencing August 15, 2008.

3. The source of funds for the Rent Payments shall be derived from an annual levy of ad valorem taxes sufficient to meet the payments of principal and interest due, provided that the District may apply any other funds that may be in its general fund or investment income actually received from investments and available for that purpose to the payments due or any prepayment premium payable in connection with such lease purchase arrangements as the same become due; and upon such payments the levy or levies provided for may thereupon to that extent be reduced.

4. The State covenants that the lease purchase arrangement shall at all time be free from taxation by the State, except for estate or gift taxes and taxes on transfers.

5. The proposed Lease Purchase Agreement also provides that the District will maintain possession and title to the education technology equipment during the term of said Agreement and the Lessor under said Agreement does not retain a perfected security interest in any equipment.

6. The Lease Purchase Agreement provides for maintenance of the equipment, insurance, the payment of taxes, if any, remedies in the event of default, and in the event of damage, destruction or condemnation of the education technology equipment, for payment of related costs in the acquisition of the education technology and the funding of the lease purchase agreement, and contains other provisions relating to notice, choice of law and administration of the Lease Purchase Agreement required by the Lessor.