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SETTLEMENT, DELIVERY AND CLOSING PROCEDURES

ISSUE: \$7,000,000
Gadsden Independent School District No. 16, New Mexico
General Obligation School Building Bonds
Series 2008A

BONDS DATED: August 15, 2008

**INTEREST PAYMENT
DATES:** February 15 and August 15, commencing February 15, 2009

**MATURITY DATES,
PRINCIPAL AMOUNTS
AND INTEREST RATES:** See Attached Exhibit A

CLOSING: 9:30 A.M., Friday, August 15, 2008 (by telephone)

PURCHASER: Morgan Keegan & Co., Inc.

AUTHENTICATION: Cuddy, Kennedy, Ives, Archuleta-Staehlin, Fairbanks & Vigil, LLP, Bond Counsel will ship the Bonds directly to Wells Fargo Bank, Colorado (the "Paying Agent/Registrar"), for signature and authentication. After the Obligations have been authenticated, the Bonds will be shipped to the Depository Trust Company ("DTC"), 55 Water Street, 1st Floor, NY, NY 10041.

Settlement, Delivery and Closing Procedures

\$7,000,000

Gadsden Independent School District No. 16

General Obligation School Building Bonds

Series 2008A

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EXHIBIT A

**Gadsden Independent School District No. 16
General Obligation School Building Bonds, Series 2008A**

\$7,000,000

Dated Date 8/15/2008

Delivery Date 8/15/2008

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
8/15/2008					
2/15/2009			\$127,062.50	\$127,062.50	
8/15/2009			127,062.50	127,062.50	\$254,125.00
2/15/2010			127,062.50	127,062.50	
8/15/2010	400,000	3.250%	127,062.50	527,062.50	654,125.00
2/15/2011			120,562.50	120,562.50	
8/15/2011	\$500,000	3.250%	120,562.50	620,562.50	741,125.00
2/15/2012			112,437.50	112,437.50	
8/15/2012	650,000	3.250%	112,437.50	762,437.50	874,875.00
2/15/2013			101,875.00	101,875.00	
8/15/2013	700,000	3.500%	101,875.00	801,875.00	903,750.00
2/15/2014			89,625.00	89,625.00	
8/15/2014	700,000	3.500%	89,625.00	789,625.00	879,250.00
2/15/2015			77,375.00	77,375.00	
8/15/2015	700,000	3.750%	77,375.00	777,375.00	854,750.00
2/15/2016			64,250.00	64,250.00	
8/15/2016	1,000,000	3.750%	64,250.00	1,064,250.00	1,128,500.00
2/15/2017			45,500.00	45,500.00	
8/15/2017	1,150,000	4.000%	45,500.00	1,195,500.00	1,241,000.00
2/15/2018			22,500.00	22,500.00	
8/15/2018	1,200,000	3.750%	22,500.00	1,222,500.00	1,245,000.00
	\$7,000,000		\$1,776,500.00	\$8,776,500.00	\$8,776,500.00