

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 Chaparral High School, 800 County Line Drive, Chaparral, New Mexico, being a meeting place of the Board, on Thursday, the 27th day of August, 2009 at the hour of 5:00 p.m. The duly elected officers and members of the Board were as follows:

President:	Jennifer Viramontes
Vice President:	Craig Ford
Secretary:	Maria E. Saenz
Members:	Manuela Huerta
	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 Superintendent of Schools, Cynthia Nava, was also present.

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 AGREEMENT 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. 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 27th day of August, 2009.

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

[Seal]

Attest:

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 AGREEMENT 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 27, 2009, 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 *et seq.*, as amended ("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 \$1,750,000 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 & McCarthy, LLP and McCall, Parkhurst & Horton L.L.P., draft and assemble the necessary documentation, including a Lease Purchase Agreement relating to the proposed Gadsden Independent School District No. 16 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 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 of the proposed Lease Purchase Agreement; 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 take any action necessary to enable the District to enter into the lease purchase arrangement on October 30, 2009.

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 \$1,750,000 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 Agreement may be considered by the Board on September 24, 2009.

Section 3. It is the present intention of the Board that the Lease Purchase Agreement be entered into and sold at a private sale to the New Mexico Finance Authority and 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 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 Agreement requires or anticipates the imposition of a property tax which the Board estimates will be levied at the rate of 2.799 (\$2.799 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 24, 2009, 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 24, 2009 will be published once each week for the two weeks immediately preceding September 24, 2009 in a newspaper having general circulation in the District. The Notice has included the information required by Section 6-15A-8B.(1)-(6) of the Act.

Section 8. The President of the Board and the 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.

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 27th day of August 2009.

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

(SEAL)

Attest:

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

EXHIBIT A

Expected Structure of the Lease Purchase Agreement

Dated date:	October 30, 2009
Award:	Special board meeting on September 24, 2009 at 4:30 p.m.
Interest Component Rent Payment:	On August 15, 2010.
Principal Component Rent Payment:	Annually on August 15 in the following years and amounts:
	2010 \$1,750,000
Prepayment:	Rent Payment under this Lease Purchase Agreement may not be prepaid.
Closing:	Closing is expected to occur on October 30, 2009 at 9:30 a.m.

Summary of Lease Purchase Agreement

1. The Lease Purchase Agreement amount shall be \$1,750,000 payable at closing for the lease purchase of education technology equipment. Lease purchase payments ("Rent Payment") constituting the principal component thereof shall be on August 15, 2010 and in no event shall the term of the Lease Purchase Agreement exceed five years:

\$1,750,000	2010
-------------	------

2. The interest component of Rent Payment shall be paid at the rate not to exceed 5% on August 15, 2010.

3. The source of funds for the Rent Payment 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 District 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.