

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 the Administration Building, 4950 McNutt Road/100 Laura Court, Sunland Park, New Mexico, being the regular meeting place of the Board, on Thursday, the 28th day of September, 2006 at the hour of 5:30 p.m. The duly elected officers and members of the Board were as follows:

President:	Maria Saenz
Vice President:	Charles Gonnell
Secretary:	Jennifer Viramontes
Members:	Manuela Huerta Andrew Moralez

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

The following members were found to be absent at the time the following resolution was to be considered:

The Superintendent of Schools Ronald Haugen was also present.

Superintendent Haugen 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 Sunland Park, New Mexico, this 28th day of September, 2006.

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 September 28, 2006, the Board of Education of the Gadsden Independent School District No. 16 ("Board" and "District" respectively), Doña Ana and Otero Counties, New Mexico the Board 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 \$1,500,000 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, 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 December 1, 2006.

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 Agreement may be considered by the Board on October 19, 2006.

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 **1.412 Mill (\$1.412 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 October 19, 2006, 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 October 19, 2006 will be published once each week for the two weeks immediately preceding October 19, 2006 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 28th day of September 2006.

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:	December 1, 2006
Award:	Special board meeting on October 19, 2006 at 5:30 p.m.
Interest Component Rent Payments:	Semi-annually on February 15 and August 15, commencing August 15, 2007.
Principal Component Rent Payments:	Annually on August 15 in the following years and amounts:
	2008 \$325,000
	2009 350,000
	2010 375,000
	2011 450,000
Prepayment:	Rent Payments under this Lease Purchase Agreement may be prepaid on and after August 15, 2007.
Closing:	Closing is expected to occur on December 1, 2006 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:

\$ 325,000	2008
350,000	2009
375,000	2010
450,000	2011

2. The interest component of Rent Payments shall be paid semi-annually at the rate not to exceed 5% on each February 15 and August 15, payment commencing August 15, 2007.

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.