

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 the law and the rules and regulations of the Board, at the Desert View Elementary School Cafeteria, 1105 Valle Vista, Sunland Park, New Mexico, being a meeting place of the Board, on the 22nd day of October, 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 of the Board were found to be absent:

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

Superintendent Nava thereupon introduced and recommended the Board adopt a resolution entitled:

**RESOLUTION AUTHORIZING NOTICE OF ISSUANCE AND SALE
OF \$9,075,000 OF THE GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
GENERAL OBLIGATION BONDS, SERIES 2009B**

Member _____ moved the adoption of said 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:

After consideration of other business not related hereto, on motion duly made, seconded, and carried, the meeting was adjourned.

Dated at Sunland Park, New Mexico, this 22nd day of October 2009.

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

[SEAL]

Attest:

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

**RESOLUTION AUTHORIZING NOTICE OF ISSUANCE AND SALE
OF \$9,075,000 OF THE GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
GENERAL OBLIGATION BONDS, SERIES 2009B**

WHEREAS, at a regular school bond election duly called and held in the Gadsden Independent School District No. 16 ("District"), in the Counties of Doña Ana and Otero, State of New Mexico, on February 7, 2006, a majority of the qualified, registered electors of the District who voted on the question authorized the Board of Education of the District ("Board") to contract bonded indebtedness on behalf of the District and upon the credit thereof, by issuing general obligation, negotiable, registered bonds of the District in the sum of not to exceed \$38,000,000 for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes, and paying costs of issuance of the Bonds; and

WHEREAS, the result of said election so held on the 7th day of February, 2006, was duly certified on the 10th day of February, 2006, by the Canvassing Board as showing the following result:

FOR the Bonds:	484
AGAINST the Bonds:	102

WHEREAS, the Board has issued \$28,150,000 of the \$38,000,000 bonds authorized on February 7, 2006 leaving a balance of \$9,850,000 for issuance; and

WHEREAS, the Board has determined, and does hereby determine, that it is necessary and for the best interests of the District and the inhabitants thereof that a portion of the bonds so authorized at said election, in the aggregate principal amount of \$9,075,000 be issued at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16, IN THE COUNTIES OF DOÑA ANA AND OTERO AND THE STATE OF NEW MEXICO:

Section 1. Findings and Ratification of Prior Action.

(a) The declarations and findings declared, made, and found in the preamble to this Resolution are hereby adopted, restated, and made a part of the operative provisions hereof.

(b) All action heretofore taken by the Board directed toward the issuance of the Gadsden Independent School District No. 16 General Obligation Bonds, Series 2009B

("Bonds") for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes, and paying costs of issuance of the Bonds, including application to the New Mexico Finance Authority ("NMFA" or "Purchaser") for financing and sale of the Bonds, in the amount of \$9,075,000, is ratified, approved, and confirmed.

Section 2. Authorization; Terms of the Bonds; and Sale to the New Mexico Finance Authority Pursuant to Bond Purchase Agreement.

(a) For the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes, and paying costs of issuance of the Bonds ("Project), the Board, constituting the governing board of the District, on behalf of the District and upon the credit thereof, shall issue the Bonds as negotiable, fully registered, general obligation bonds of the District in the aggregate principal amount of \$9,075,000, bearing the date of November 24, 2009, or the date of delivery. The Bonds shall be numbered from R-1 upwards, and shall be in the denomination of \$5,000 each, or any integral multiple thereof.

(b) Interest shall accrue and be paid on each Bond until its maturity or prior redemption from the later of the initial date of delivery of the Bonds (reflected in such Bonds), or the most recent interest payment date to which interest has been paid or provided for at the rate or rates per annum hereinafter set forth. Such interest shall be payable June 1, 2010, and semi-annually thereafter on December 1 and June 1 in each year until maturity or prior redemption thereof, and shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) The principal of each Bond shall be payable upon maturity of such Bond and upon presentation and surrender thereof at the principal office of the Paying Agent/Registrar (as hereinafter defined), and interest on each Bond shall be payable by check or draft mailed to the registered owner thereof, at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of payment of interest on a Bond, the registered owner shall be the person in whose name the Bond is registered at the close of business on the fifteenth day of the month next preceding the interest payment date ("Record Date"). In the event of nonpayment of interest on a scheduled payment date and for a period of 30 days thereafter, a special record date and a special payment date for such interest payment will be established by the Paying Agent/Registrar ("Special Record Date" and "Special Payment Date," respectively), if and when funds for the payment of

such interest have been received from the District. Notice of the Special Record Date and the Special Payment Date, which shall be fifteen days after the Special Record Date, shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner appearing on the registration books ("Register") kept by the paying Agent/Registrar, in its principal office at the close of business on the last business day next preceding the date of mailing of such notice. Both principal and interest shall be payable in lawful money of the United States of America.

(d) The Bonds shall mature on June 1 in each of the years, in the principal amounts and bearing interest at the interest rates per annum, all as set forth below:

<u>Years</u>	<u>Amount Maturing</u>	<u>Interest Rates</u>
2010	\$1,230,000	_____ %
2011	670,000	_____ %
2012	600,000	_____ %
2013	550,000	_____ %
2014	575,000	_____ %
2015	750,000	_____ %
2016	1,100,000	_____ %
2017	1,100,000	_____ %
2018	1,250,000	_____ %
2019	1,250,000	_____ %

(e) If, upon presentation at maturity, payment of any Bond is not made, interest thereon shall continue at the rate borne by said Bond until the principal thereof is paid in full.

(f) The District hereby designates the Bonds as "QUALIFIED TAX-EXEMPT OBLIGATIONS" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended ("Code"). Section 265 of the Code permits the designation of governmental bonds, such as the Bonds, as qualified tax-exempt obligations based upon certain representations made herein below (and certain representations by the initial purchaser of the Bonds):

(i) The Bonds are not private activity bonds;

(ii) The District does not reasonably expect to issue qualified tax-exempt obligations in an aggregate principal amount exceeding \$30,000,000 during calendar year 2009; and

(iii) The District has not and will not designate more than \$30,000,000 in

aggregate principal amount of qualified tax-exempt obligations during calendar year 2009.

(g) The Bonds shall be sold to the NMFA as provided in the Bond Purchase Agreement dated October 22, 2009 ("Bond Purchase Agreement"), which has been presented to the Board together with this Resolution, and which is hereby approved. The President of the Board is hereby authorized to execute and deliver the Bond Purchase Agreement.

Section 3. No Redemption. The Bonds are not subject to redemption.

Section 4. Defeasance of Bonds.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section 4, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to the principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the District