

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 the State of New Mexico, met in regular session, in full conformity with law and the rules and regulations of the Board, at the Gadsden Administrative Complex, 4950 McNutt, Sunland Park, New Mexico, on September 8, 2016, 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:	Craig Ford
Secretary:	Jennifer Viramontes
Members:	Daniel Estupiñan
	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, Efren Yturralde, was also present.

Superintendent Yturralde thereupon introduced and recommended adoption by the Board of a resolution entitled:

RESOLUTION AUTHORIZING SALE OF SCHOOL BONDS

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:

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Those Voting Nay:

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Those Abstaining:

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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 8<sup>th</sup> day of September 2016.

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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 AUTHORIZING SALE OF SCHOOL BONDS

WHEREAS, at a special election duly called, held, and conducted in the Gadsden Independent School District No. 16 ("District"), Counties of Doña Ana and Otero, State of New Mexico, on February 4, 2014, the question of issuing the District's general obligation, negotiable, registered bonds 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, was approved by the qualified, registered electors of the District; and

WHEREAS, the Board of Education of the District ("Board") has previously issued \$19,000,000 of the \$38,000,000 bonds authorized on February 4, 2014; 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 the third installment of the bonds authorized on February 4, 2014, in the principal amount of \$9,500,000, be issued at this time and be dated as of the Date of Delivery which is expected to be on October 19, 2016; and

WHEREAS, at the office of RBC Capital Markets, LLC, Albuquerque, New Mexico, at the hour of 10:00 a.m., prevailing Mountain Time, on September 8, 2016, bids for the purchase of said \$9,500,000 of bonds were received and publicly opened pursuant to law; and at a regular open meeting held at 5:00 p.m. at the Gadsden Administrative Complex, 4950 McNutt, Sunland Park, New Mexico on September 8, 2016, the Board did thereupon accept the bid of \_\_\_\_\_ ("Purchaser"), for the principal amount thereof, a premium of \$\_\_\_\_\_, and accrued interest, if any, to the delivery date at the rate or rates herein designated, and awarded said bonds to the Purchaser as the best bidder therefor; and

WHEREAS, the Board has determined, and does hereby determine, that said bonds shall be issued at this time, and desires to fix the form and details of said bonds and to provide for the levy of taxes for the payment of the principal of and interest thereon; and

WHEREAS, no action or suit has been commenced by any person or corporation in the District Court for Doña Ana County or in the District Court for Otero County, New Mexico, or at all, contesting the validity of any of the proceedings heretofore taken by the Board and the officers of the District relating to said bonds; and

WHEREAS, the Board shall annually establish adequate budgetary provisions to promptly pay as it becomes due, all principal of and interest on the general obligation bonds herein authorized as the same become due, all in compliance with law.

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 School Bonds, Series 2016, in the aggregate principal amount of \$9,500,000 ("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, including the giving of the notice of bond sale as actually published and mailed and the award of the Bonds, dated the date of the initial delivery of the Bonds to the Purchaser, shall be, and the same hereby is, ratified, approved, and confirmed.

Section 2. Authorization; Terms of the Bonds.

(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, 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 \$9,500,000, bearing the date of October 19, 2016, which is the expected date of delivery to the Purchaser. The Bonds shall be numbered from R-1 upwards, and shall be in the denomination of \$5,000 each, or any integral multiple thereof. This Resolution is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations relating to the projects identified in the first recital paragraph of this Resolution.

(b) Interest shall accrue and be paid on each Bond until its maturity from the later of delivery, 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 February 15, 2017, and semi-annually thereafter on August 15 and February 15 in each year until maturity, 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 in Section 7, 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 of the District ("Register") 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 last business day of the month next preceding the interest payment dates ("Record Date"). In the event of nonpayment of interest on a scheduled payment date and for a period of thirty (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 (15) days after the Special Record Date, shall be sent at least five (5) 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 Register 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 August 15 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>Principal Amounts</u>	<u>Interest Rates</u>
2017	\$ 220,000	____%
2018	1,000,000	____%
2019	1,000,000	____%
2020	1,000,000	____%
2021	1,050,000	____%
2022	1,050,000	____%
2023	1,050,000	____%
2024	1,050,000	____%
2025	1,050,000	____%
2026	1,030,000	____%

(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 \$10,000,000 during calendar year 2016; and
- (iii) The District has not and will not designate more than \$10,000,000 in aggregate principal amount of qualified tax-exempt obligations during calendar year 2016.

(g) Book-Entry-Only System. The Bonds shall be issued in the form of a separate single fully registered Bond for each of the Maturities thereof registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), and except as provided in subsection (h) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, on whose behalf DTC was created, to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants ("DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentences, the District and the Paying/Agent Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books, of any amount with respect to principal of, premium, if any, and interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the District and the Paying/Agent Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligation with respect to payment of principal of, premium, if any, and interest on the Bonds, to the extent of the sum or sums so paid. No person

other than a Registered Owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the District to make payments of principal, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(h) Successor Securities Depository: Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor, or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository, and transfer one or more separate Bonds to such successor securities depository, or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds, and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names a Registered Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(i) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond, and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter to the District to DTC.

Section 3. Redemption. Bonds maturing on or after August 15, 2025, may be redeemed prior to their scheduled maturities on August 15, 2024, or on any date thereafter, in whole or in part, at any time, at the option of the District, with funds derived from any available and lawful source, and the District shall designate the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the District shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity, for redemption (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price of par, plus accrued interest to the date fixed for prepayment.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Resolution have been met and moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of



redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

#### Section 4. Defeasance of Bonds.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding ("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 that 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 with the Paying Agent/Registrar for the payment of its services, until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, as described herein above, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the District also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar, which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the District or deposited as directed in writing by the District.

(c) The term "Government Obligations" as used in this Section, shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may be United States Treasury obligations, such as its State and Local Government Series, which may be in book-entry form.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Resolution.

Section 5. Execution and Registration of the Bonds.

(a) Each Bond shall be signed with the manual or engraved, imprinted, stamped, or otherwise reproduced facsimile of the signature of the President of the Board and shall be signed and attested by the manual or engraved, imprinted, stamped, or otherwise reproduced facsimile signature of the Secretary of the Board under the manual impression or facsimile of the seal of the District, which facsimile seal shall be printed, engraved, stamped, or otherwise placed thereon. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the District; notwithstanding that before the delivery thereof and payment therefor, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The President or the Secretary of the Board, at the time of the execution of the Bonds and by execution of a signature certificate, may adopt, as and for his or her own manual or facsimile signature, the facsimile signature of his or her respective predecessor in office, in the event that such facsimile signature appears upon any of the Bonds. The President and Secretary of the Board shall each forthwith file his or her manual signature, certified by him or her, under oath, with the Secretary of State of New Mexico; provided that, such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

(b) No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration substantially in the form provided herein, executed by the Paying Agent/Registrar by manual signature, and such certificate, upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been registered and delivered.

Section 6. Form of Bonds. The form of the Bonds and the registration certificate and assignment certificate to be placed on the Bonds shall be substantially as follows:

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF NEW MEXICO – COUNTIES OF DOÑA ANA AND OTERO

NO. R-\_\_\_\_\_ \$\_\_\_\_\_

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16  
GENERAL OBLIGATION SCHOOL BOND  
SERIES 2016

Interest Rate: \_\_\_\_\_%      Dated Date: October 19, 2016      Maturity Date: August 15, \_\_\_\_\_      CUSIP: 362550 \_\_\_\_

THE BOARD OF EDUCATION of the Gadsden Independent School District No. 16 ("Board"), on the faith, credit and behalf of the Gadsden Independent School District No. 16 ("District"), Counties of Doña Ana and Otero, State of New Mexico, hereby acknowledges the District is indebted and promises to pay to Cede & Co., or the registered assigns thereof, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

in lawful money of the United States of America, and to pay interest thereon from the later of October 19, 2016, the dated date of the Bond, or the most recent interest payment date to which interest has been paid or duly provided for, to be payable on February 15, 2017, and semi-annually thereafter on August 15 and February 15 in each year while this Bond is outstanding, at the per annum rate as shown above, such interest to be computed on the basis of a 360-day year of twelve 30-day months.

THE PRINCIPAL of this Bond shall be payable to the registered owner hereof, upon presentation and surrender of this Bond at the principal office of the Paying Agent/Registrar executing the registration certificate appearing hereon. Interest payable on any interest payment date will be paid to the person in whose name this Bond is registered at the close of business on the last business day of the month next preceding the interest payment date ("Record Date"). All such payments may be made by the Paying Agent/Registrar by check or draft dated as of the interest payment date and mailed to the registered owner at the address as it appears on the registration books of the District ("Register") 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. If upon presentation at maturity, payment of this Bond is not made as herein provided, interest hereon shall continue at the rate herein designated, until the principal hereof is paid in full.

FOR THE PURPOSE of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the Record Date. In the event of a nonpayment of interest on a scheduled payment date and for a period of thirty (30) days thereafter, a new record date for such interest payment ("Special Record Date") and a special payment date ("Special Payment Date"), which shall be fifteen (15) days after the Special Record Date, will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District, and notice of such dates shall be sent at least five (5) business days prior to the Special Record Date.

THIS BOND is dated October 19, 2016, and is issued by the District, upon its behalf and upon the credit thereof, 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, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico and pursuant to a resolution ("Resolution") of the Board duly adopted and made a law of the District prior to the issuance of this Bond.

PURSUANT TO THE RESOLUTION, this Bond and each Bond of this series is designated as a "QUALIFIED TAX EXEMPT OBLIGATION" for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

BONDS MATURING ON or after August 15, 2025 may be redeemed prior to their scheduled maturities on August 15, 2024, or on any date thereafter, in whole or in part, at any time, at the option of the District, with funds derived from any available and lawful source, and the District shall designate the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the District shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity, for redemption (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price of par, plus accrued interest to the date fixed for prepayment or redemption.

AT LEAST THIRTY (30) DAYS prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, not less than thirty (30) days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the forty-fifth (45<sup>th</sup>) day prior to such redemption date. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds, or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the District.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration

Books of the District kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond, or any portion or portions hereof, in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees, which then will be the new registered owner or owners of such new Bond or Bonds, or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Bonds. The District shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying/Agent Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond, or any portion or portions hereof, in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence such

assignment. The District shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Bond or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges, required to be paid with respect thereto, as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

THE DISTRICT, the Paying Agent/Registrar, and any agent of either of them may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment, as herein provided, and for all other purposes, whether or not this Bond be overdue, and neither the District, the Paying Agent/Registrar, nor any such agent shall be affected by notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED, AND WARRANTED that the issuance of this Bond has been authorized by the electors of the District qualified to vote on the question at a special election held in the District on February 4, 2014; that all requirements of law have been duly complied with by the proper officers of the District in the issuance of this Bond; that the total indebtedness of the District, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the interest on, and the principal of, this Bond, when the same become due; and that the written approval of the Attorney General of the State of New Mexico of the series of Bonds, of which this Bond is one, as to form and legality, has been made a part of the transcript of proceedings in connection with the issue of Bonds.

THE FULL FAITH AND CREDIT of the District are hereby irrevocably pledged for the punctual payment of the principal of, and the interest on, this Bond.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the District, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the District.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the facsimile signature of the President of the Board of Education of the District and countersigned with the facsimile signature of the Secretary of the Board of Education of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

/s/ Jennifer Viramontes  
Secretary, Board of Education

/s/ Maria Saenz  
President, Board of Education

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described on the face of this Bond.

Dated:

BOKF, N.A.  
Albuquerque, New Mexico,  
Paying Agent/Registrar

By: \_\_\_\_\_  
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

\_\_\_\_\_

/ \_\_\_\_\_ /  
(Assignee's Social Security or  
Taxpayer Identification Number)

\_\_\_\_\_  
(print or type Assignee's name  
and address, including zip code)

\_\_\_\_\_ and hereby irrevocably constitutes and appoints

\_\_\_\_\_

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond in every particular without alteration or enlargement or any change whatsoever.

Section 7. Paying Agent/Registrar.

(a) The District shall, at all times, maintain a Paying Agent/Registrar for the performance of the duties and functions of Paying Agent/Registrar prescribed in this Resolution. BOKF, Albuquerque, New Mexico, is hereby appointed the initial Paying Agent/Registrar for such purposes. In the event any Paying Agent/Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District covenants that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds. The District reserves the right to appoint a successor Paying Agent/Registrar by (1) filing with the person then performing such function a certified copy of a resolution giving notice of the termination of the Paying Agent/Registrar relationship and appointing a successor, and (2) causing notice to be given to each registered owner.

(b) Every Paying Agent/Registrar appointed hereunder shall at all times be a national or state banking institution or a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to execute trust powers, and subject to supervision or examination by a Federal or State authority.

(c) An appropriate official of the District is hereby authorized and directed to execute an agreement with the initial Paying Agent/Registrar specifying the duties and responsibilities of the District and the Paying Agent/Registrar. If any conflict exists between the agreement and this Resolution, this Resolution shall govern.



Section 8. Application of Bond Proceeds. When the Bonds have been duly executed, they shall be delivered to the Purchaser, upon receipt of the agreed purchase price, which is set forth in the preamble to this Resolution. The net proceeds realized from the sale of the Bonds shall be applied solely 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, in and for the District. The Purchaser of the Bonds, in its capacity as purchaser of the Bonds, shall in no manner be responsible for the application or disposal by the District, or any of its officers, of any of the funds derived from the sale of the Bonds.

Section 9. Levy of Taxes; Payment of Bonds.

(a) The interest falling due on the Bonds on February 15, 2017, may be paid from the general fund or from any funds available for that purpose, and there shall be levied, in addition to all other taxes, direct annual taxes on all taxable property in the District, at the time and in the manner provided by law, sufficient to reimburse such fund or funds, and to pay the principal of, and the interest accruing on, the Bonds, promptly, as the same shall become due.

(b) This Resolution is hereby declared to be the certificate to the Board of County Commissioners of the Counties of Doña Ana and Otero, New Mexico, as to the amount of taxes necessary to be levied for the purposes herein stated, and such taxes shall be certified, levied, and extended upon the tax rolls and collected in the same manner, at the same time, and subject to the same penalties as general, state, and county taxes are certified, levied, and collected.

(c) Such taxes, when collected, shall be kept by the District in a separate fund or account of the District ("Interest and Sinking Fund") to be used solely for the purpose of paying the principal of, and interest accruing on, the Bonds, as the same respectively mature; provided, however, that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the District, and available for that purpose, to the payment of the Bonds or the interest thereon, and if the taxes herein provided for shall not be levied or collected in time sufficient to pay the interest on, or principal of, any of the Bonds as the same mature, such interest or principal shall be paid from any funds belonging to the District, which funds shall be reimbursed from the taxes herein provided for, when the same are collected.

Section 10. Ownership. The District, the Paying Agent/Registrar, and any agent of either of them may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the District, the Paying Agent/Registrar, nor any agent of either of them shall be affected by notice to the contrary.

Section 11. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed, or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of New Mexico, and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

- (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Bond;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the District harmless;
- (iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and
- (iv) satisfies any other reasonable requirements imposed by the District and the Paying Agent/Registrar.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered, or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

(d) In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the District may, in its discretion, instead of issuing a new Bond, pay such Bond as it becomes due and payable.

(e) Every new Bond issued pursuant to this section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of

the District, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and ratably with all other outstanding Bonds.

(f) The provisions of this section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

Section 12. Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it, and if surrendered to the District, shall be delivered to the Paying Agent/Registrar, and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The District may, at any time, deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered, which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be disposed of as directed by the District.

Section 13. Registration, Transfer and Exchange of Bonds.

(a) So long as any Bonds remain outstanding, the District shall cause to be kept at the principal office of the Paying Agent/Registrar registration books ("Register") in which, subject to such reasonable regulations as it may prescribe, registration of the Bonds and of transfers of the Bonds shall be made as provided herein.

(b) Upon surrender for transfer of any Bond at the principal office of the Paying Agent/Registrar, the District shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same stated maturity, of any authorized denominations, and of a like aggregate principal amount.

(c) At the option of the registered owner, Bonds may be exchanged for other Bonds of the same stated maturity, of any authorized denominations, bearing the same rate of interest, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the principal office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the District shall execute and the Paying Agent/Registrar shall register and deliver the Bonds, which the Registered Owner of Bonds making the exchange is entitled to receive.

(d) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt and entitled to the same benefits, under this Resolution, as the Bonds surrendered upon such transfer or exchange.

(e) Every Bond presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form

satisfactory to the Paying Agent/Registrar, duly executed by the Registered Owner thereof or his attorney duly authorized in writing.

(f) No service charge shall be made to the registered owner for any registration, transfer, or exchange of Bonds, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

(g) Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond during a period beginning at the opening of business thirty (30) days before the date of maturity of the Bond and ending at the close of business on the date of maturity of the Bond.

Section 14. Covenants Regarding Tax Exemption of Interest on the Bonds. The District covenants to take any action necessary to assure, or refrain from any action that would adversely affect the treatment of the Bonds as obligations described in Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(a) to take any action to assure that no more than ten percent (10%) of the proceeds of the Bonds or the projects financed therewith, less amounts deposited into a reserve fund, if any, are used for any "private business use," as defined in Section 141(b)(6) of the Code, or if more than ten percent (10%) of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the District with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly secure or provide for the payment of more than ten percent (10%) of the debt service on the Bonds, in contravention of Section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent (5%) of the proceeds of the Bonds or the projects financed therewith, less amounts deposited into a reserve fund, if any, then the amount in excess of five percent (5%) is used for a "private business use" which is "related" and not "disproportionate," within the meaning of Section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent (5%) of the proceeds of the Bonds, less amounts deposited into a reserve fund, if any, is, directly or indirectly used to finance loans to persons other than state or local governmental units, in contravention of Section 141(c) of the Code;

(d) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of Section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of Section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property, as defined in Section 148(b)(2) of the Code, which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

- (1) proceeds of the Bonds invested for a reasonable temporary period of three (3) years or less, or, in the case of a refunding bond, for a period of thirty (30) days or less until such proceeds are needed for the purpose for which the Bonds are issued;
- (2) amounts invested in a bona fide debt service fund, within the meaning of Section 1.148-1(b) of the Treasury Regulations; and
- (3) amounts deposited in any reasonably required reserve or replacement fund, to the extent such amounts do not exceed ten percent (10%) of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of Section 148 of the Code (relating to arbitrage), Section 149(g) of the Code (relating to hedge bonds), and, to the extent applicable, Section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America, at least once during each five (5) year period beginning on the date of delivery of the Bonds, an amount that is at least equal to ninety percent (90%) of the "Excess Earnings," within the meaning of Section 148(f) of the Code, and to pay to the United States of America, not later than sixty (60) days after the Bonds have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under Section 148(f) of the Code.

In order to facilitate compliance with the above covenant (h), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation, the bondholders. The Rebate Fund is established for the additional purpose of compliance with Section 148 of the Code.

The District understands that the term "proceeds" includes "disposition proceeds," as defined in the Treasury Regulations, and, in the case of refunding bonds,

transferred proceeds, if any, and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein, to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Bonds, the District agrees to comply with the additional requirements, to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the Superintendent of the District to execute any documents, certificates, or reports required by the Code, and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. The District covenants to comply with the covenants contained in this section after defeasance of the Bonds.

Section 15. Allocation of, and Limitation on, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The District recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the District recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The District agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 16. Disposition of Project. The District covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the District may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of

the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 17. Partial Invalidity. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 18. Conflicting Acts and Resolutions. All acts and resolutions in conflict with this resolution are hereby rescinded, annulled, and repealed. This repealer shall not be construed to revive any bylaw, order, resolution, or ordinance, or part thereof, heretofore repealed.

Section 19. Approval of Official Statement. It is officially found, determined, and declared that the Bonds have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Bond Sale and Preliminary Official Statement, dated August 31, 2016, prepared and distributed in connection with the sale of the Bonds. The Official Statement dated September \_\_\_\_\_, 2016, and any addenda, supplement, or amendment thereto ("Official Statement") have been and are hereby approved by the governing body of the District, and their use in the offer and sale of the Bonds is hereby approved. It is further officially found, determined, and declared that the statements and representations contained in the Official Statement are true and correct in all material respects, to the best knowledge and belief of the governing body of the District.

Section 20. Further Procedures. The President or Vice President and Secretary of the Board, the Superintendent of Schools, and all other officers, employees, and agents of the District, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time, and at any time, to do and perform all such acts and things and to execute, acknowledge, and deliver, in the name and under the corporate seal and on behalf of the District, the Letter of Representations with DTC regarding the Book-Entry-Only System and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representations, the Bonds, the sale of the Bonds, and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 21. Continuing Disclosure Undertaking.

(a) Annual Reports. The District shall provide updated financial information and operating data to the Municipal Securities Rulemaking Board (“MSRB”) MSRB’s electronic Municipal Market Access (“EMMA”), annually beginning March 31, 2017, financial information and operating data with respect to the District of the general type included in the final Official Statement authorized by a resolution of the Board on September 8, 2016, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the District may be required to employ from time to time, pursuant to state law or regulation, and (2) audited, if the District commissions an audit of such statements, and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the District shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available. If audited financial statements are not available by the required time, the District will provide unaudited operating results by the required time, and will provide audited financial statements when and if an audit report becomes available.

If the District changes its fiscal year, it will notify the MSRB of the change and of the date of the new fiscal year end, prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this paragraph (a).

The financial information and operating data to be provided pursuant to this paragraph (a) may be set forth in full in one or more documents or may be included by specific reference to any document, including an official statement or other offering document, if it is available from the MSRB, as defined in this Section 21(d).

(b) Event Notices. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material within the meaning of the federal securities laws;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;



5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds or the Lease, or other events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
8. Bond calls, if material within the meaning of the federal securities laws;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the District;
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws; and
15. Tender offers.

The District shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data, in accordance with paragraph (a) of this Section 21, by the time required by such paragraph. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section 21 for so long as, but only for so long as, the District remains an “obligated person” with respect to the Bonds, within the meaning of the Rule, as defined in this Section 21; except that, the District, in any event, will give notice of any deposit made in accordance with Section 14 of this Resolution that causes Bonds no longer to be outstanding.

The provisions of this Section 21 are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section 21, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices that it has expressly agreed to provide pursuant to this Section 21 and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section 21 or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING, IN WHOLE OR IN PART, FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH, SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section 21 shall comprise a breach of or default under the Resolution for purposes of any other provision of this Resolution.

Nothing in this Section 21 is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section 21 may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section 21, as so amended, would have permitted an underwriter to purchase or sell bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering, as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment, or (b) a person that is unaffiliated with

the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the District so amends the provisions of this Section 21, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section 21, an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling bonds in the primary offering of the Bonds.

(d) *Definitions.* As used in this Section 21, the following terms have the meanings ascribed to such terms below:

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*EMMA*" means MSRB's Electronic Market Access.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

Section 22. Open Meeting. Notice by the Board of the time, place and purpose of the meeting at which this Resolution was adopted is hereby found to be reasonable notice to the public in accordance with the Open Meetings Act, NMSA 1978, §§ 10-15-1 through 10-15-4, and said notice that has been given is hereby ratified and approved by the Board as notice given on behalf of the District and such meeting was open to the public and these minutes of the Board are open to the public's investigation.

PASSED AND ADOPTED this 8<sup>th</sup> day of September, 2016.

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

ATTEST:

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

[SEAL]

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

§  
§  
§  
§  
§  
§  
§

SECRETARY'S CERTIFICATE

It is hereby certified that the foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Education of the Gadsden Independent School District No. 16, constituting the governing body of said District, had and taken at a regular meeting of said Board held at the Gadsden Administrative Complex, 4950 McNutt, Sunland Park, New Mexico, on September 8, 2016, at the hour of 5:00 p.m. insofar as they concern the adoption of a resolution authorizing the issuance of the Gadsden Independent School District No. 16 General Obligation School Bonds, Series 2016, in the aggregate principal amount of \$9,500,000, and certifications related thereto, copies of which being therein set forth, as recorded in the book of official records of the proceedings of said District kept in the office of the Superintendent of Schools, and that said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein named were present at said meeting as therein shown.

WITNESS my hand and the seal of said District affixed this 8<sup>th</sup> day of September, 2016.

[SEAL]

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

## **Exhibit A**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in paragraph (a) of Section 21 of this Resolution:

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the District, to be provided annually in accordance with such Section, are as specified and included in the Appendix or under the headings of the Official Statement referred to below:

1. The annual financial statements of the District are prepared according to generally accepted accounting principals ("GAAP") as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principals.

2. "DEBT AND OTHER FINANCIAL OBLIGATIONS,"  
"TAX BASE,"  
"THE DISTRICT - Enrollment," and  
"FINANCES OF THE DISTRICT- "State Equalization Guarantee",  
"Statement of Net Position", "Statement of Activities", "Balance Sheet",  
"Statement of Revenues, Expenditures & Changes in Fund Balances."

#### **Accounting Principles**

The accounting principles referred to in paragraph (a) of Section 21 are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.