

# NEW MEXICO JUNIOR COLLEGE

## SPECIAL BOARD MEETING

Monday, April 30, 2007

**Zia Room - Library**

9:00 a.m.

### AGENDA

- |   |                |
|---|----------------|
| A. Welcome  | Larry Hanna    |
| B. Adoption of Agenda   | Larry Hanna    |
| C. Consideration of New Mexico Junior College System Revenue Bonds Series<br>2007 Bond Purchase Agreement | Steve McCleery |
| D. Public Comments  | Larry Hanna    |
| E. Adjournment  | Larry Hanna    |

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# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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To: New Mexico Junior College Board members  
From: Dan Hardin  
RE: Consideration of System Revenue Bonds  
Date: April 30, 2007


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The HED (Higher Education Department) called Friday afternoon asking for the Board approved resolution authorizing the issuance and sale of New Mexico Junior College System Revenue Bonds. We explained that a Board meeting was scheduled for May 10, 2007 and the resolution would be presented at that Board meeting. The HED Capital committee represented by Carlotta Abeyta, Tino Pestalozzi and Dr. Gerald Burke said that they must have the Board approved resolution in hand by Tuesday afternoon May 1<sup>st</sup>. If we could not make the Tuesday deadline then we must wait until June to have the Student Housing Construction Project presented to the State Board of Finance. Therefore, we are asking for your approval of the attached resolution authorizing issuance of a series of New Mexico Junior College System Revenue Bonds, Series 2007, in an aggregate original amount of \$4,570,909.00.

The \$4,570,909.00 consists of the following:

System Revenue Loan funds	\$4,000,000.00
Debt Service Reserve Account	\$ 343,339.36
Capitalized Interest Account	\$ 227,568.47
Debt Service Account	\$ 1.17
Total	\$4,570,909.00

Respectfully submitted,

  
Dan Hardin

STATE OF NEW MEXICO                    )  
COUNTY OF LEA                        ) ss.  
NEW MEXICO JUNIOR COLLEGE        )

On this 30 day of April, 2007, the Governing Board of New Mexico Junior College convened in a special meeting in full conformity with law and the rules and regulations of the Governing Board in the Zia Room of the Pannell Library, on the New Mexico Junior College Campus, Hobbs, New Mexico, at the hour of 9:00 a.m.

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

Chairman:                Larry Hanna  
Vice Chairman  
Members:

Absent:

Also Present:            Steve McCleery, President  
                              Dan Hardin, Vice President of Finance

The Chairman announced that the agenda for the meeting included the consideration of a resolution authorizing issuance of a series of New Mexico Junior College System Revenue Bonds, Series 2007, in an aggregate original amount of \$4,570,909.00.

Thereupon, there was officially filed with the Secretary, the Chairman and each other Member of the Governing Board a copy of a proposed bond resolution in final form.

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**EXHIBIT A Debt Service Schedule**

## RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NEW MEXICO JUNIOR COLLEGE SYSTEM REVENUE BONDS, SERIES 2007, IN AN ORIGINAL AGGREGATE AMOUNT OF \$4,570,909.00 FOR THE PURPOSE OF PROVIDING FUNDS FOR PURCHASING, ERECTING, ALTERING, IMPROVING, REPAIRING, FURNISHING AND EQUIPPING BUILDINGS, STRUCTURES AND FACILITIES FOR THE USE OF NEW MEXICO JUNIOR COLLEGE; PROVIDING FOR THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, FORM, TERMS AND CONDITIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY PURSUANT TO A BOND PURCHASE AGREEMENT, SUBJECT TO THE APPROVAL OF THE NEW MEXICO HIGHER EDUCATION DEPARTMENT AND THE NEW MEXICO STATE BOARD OF FINANCE; ENTERING INTO CERTAIN COVENANTS AND OTHER AGREEMENTS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Governing Board of New Mexico Junior College (the "Board" or "Governing Board"), on behalf of New Mexico Junior College (the "College"), a community college established pursuant to Sections 21-13-1 through 21-13-26, NMSA 1978, as amended, intends to issue a series of Revenue Bonds pursuant to Sections 6-17-1 through 6-17-19, NMSA 1978, as amended; and

WHEREAS, the Governing Board considers it necessary and advisable and in the best interests of the College that the Series 2007 Bonds be issued in an original aggregate amount of \$4,570,909.00; and

WHEREAS, the New Mexico Finance Authority has approved the purchase of the Bonds at a meeting held on April 26, 2007; and

WHEREAS, the Governing Board does hereby determine that the Bonds shall be issued, sold and delivered pursuant to the Bond Purchase Agreement, the terms of which are approved pursuant to this Resolution, and desires to authorize issuance of the Bonds and to provide for the payment of the principal of and interest thereon, in the principal amounts, maturities, interest rates and other details set forth in this Resolution; and

WHEREAS, the Governing Board shall annually establish adequate budgetary provisions to promptly pay as they become due, all principal, interest and Administrative Fees (as defined in Section 1 of this Resolution) on the Bonds as the same become due, all in compliance with law; and

WHEREAS, the issuance of the Bonds will not occur until the Bonds have first been approved in writing by the New Mexico Higher Education Department and the New Mexico State Board of Finance; and

WHEREAS, the form of the Bond Purchase Agreement relating to the Bonds has been presented to the Governing Board for approval by the Governing Board in connection with the adoption of this Bond Resolution; and

WHEREAS, the Governing Board deems it necessary and advisable to authorize, issue and deliver the Bonds.

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF NEW MEXICO JUNIOR COLLEGE:

Section 1. Definitions. Throughout this Resolution, the following terms as used herein shall have the meanings set forth below, unless the text hereof specifically indicates otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Act” means the general laws of the State, including Sections 6-17-1 through 6-17-19, NMSA 1978, as amended, and the enactments of the Governing Board relating to the issuance of the Bonds, including the Bond Resolution.

“Additional Bonds” means Parity Bonds (other than the Bonds) hereafter issued.

“Administrative Fee” or “Administrative Fee Component” means the .25% annual fee payable to the NMFA for costs of administering the Series 2007 Debt Service Account which shall be charged pro rata as a portion of each debt service payment, as 0.125% of the principal balance at the time each semiannual debt service payment is due, as shown in the Debt Service Schedule attached to this Bond Resolution as Exhibit “A.”

“Bond Purchase Agreement” means the agreement for purchase and sale of the Bonds to be entered into between the Governing Board and the Purchaser and approved in this Bond Resolution, subject to the approval of the issuance of the Bonds by the New Mexico Higher Education Department and the New Mexico State Board of Finance.

“Bond Resolution” means this Resolution, as amended or supplemented from time to time.

“Bonds” means the Series 2007 Bonds.

“Business Day” means any day other than a Saturday, Sunday, legal holiday, or a day on which banking institutions or the New York Stock Exchange are authorized or obligated by law or executive order to be closed.

“Capitalized Interest Deposit” means \$234,736.75.

“Code” means the Internal Revenue Code of 1986, as amended, including when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

“College” and “New Mexico Junior College” mean the community college district designated as New Mexico Junior College and created pursuant to Sections 21-13-1 through 21-13-26, NMSA 1978, as amended.

“Delivery Date” means the date on which the Bonds are delivered to the Purchaser in exchange for the Purchase Price of the Bonds.

“Exhibit “A”” means the schedule setting forth the principal amounts, maturity dates and interest rates of the Bonds, attached as Exhibit “A” to this Bond Resolution.

“Expenses” means all expenses of the College relating to the issuance of the Bonds.

“Fiscal Year” means the twelve- (12-) month period used by the College for its general accounting purposes as the same may be changed from time to time, presently being a period beginning on July 1 of each year and ending on June 30 of the next succeeding year.

“Governing Board” means the board of trustees in which is vested the management and control of the New Mexico Junior College.

“Government Obligations” means 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.

“Indenture” means (i) the General Indenture of Trust and Pledge dated as of June 1, 1995, between the NMFA and the Trustee, and all supplemental indentures thereto, and (ii) the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, between the NMFA and the Trustee and all supplemental indentures thereto, as determined by the NMFA pursuant to a pledge notification or supplemental indenture relating to the Bonds.

“Indenture Trustee” means Bank of Albuquerque, N.A., as successor trustee pursuant to the Indenture.

“Independent Accountant” means (i) an accountant employed by the State of New Mexico and under the supervision of the State Auditor of the State of New Mexico, or (ii) any certified public accountant, registered accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the College who (a) is, in fact, independent and not under the domination of the College or the Governing Board, (b) does not have any substantial interest, direct or indirect, with the College, and (c) is not connected with the College or the Governing Board as an officer or employee of the College or the Governing Board, but who may be regularly retained to make annual or similar audits of the books or records of the College and the Governing Board.

“Insured Bank” means a bank or savings and loan association whose deposits are insured by an agency of the United States.

“Interest and Retirement Fund” means the New Mexico Junior College System Revenue Bonds Interest and Retirement Fund established pursuant to the Series 2005 Bond Resolution and continued and maintained by the College pursuant to Section 12 of this Bond Resolution.

“NMFA” means the New Mexico Finance Authority.

“Operating and Maintenance Expenses” means the reasonable operating and maintenance expenses of the System which shall be deemed to include all costs of heating and lighting the buildings, improvements or facilities comprising the System, insurance, the cost of services of employees operating and maintaining the buildings, improvements or facilities comprising the System, the cost of food, repairs, costs of reasonable replacements of equipment and any other incidental costs not herein specifically enumerated, but which are reasonably necessary to operate and maintain the buildings, facilities, improvements and equipment comprising the System.

“Outstanding” when used in reference to bonds of the College means, on any particular date, the aggregate of all such bonds delivered under the applicable resolution authorizing the issuance of such bonds, except:

A. those canceled at or prior to such date or delivered or acquired by the College at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 23 and Section 24 of the Bond Resolution or similar section of any resolution of the Governing Board authorizing the issuance of the applicable bonds; and

C. those in lieu of or in exchange or substitution for which other bonds shall have been delivered, unless proof satisfactory to the trustee and the paying agent for the applicable bonds is presented that any bond for which a new bond was issued or exchanged is held by a bona fide holder in due course.

“Parity Bonds” means, collectively, the Bonds, the Series 2005 Bonds and all bonds or obligations of the College hereafter issued or outstanding and payable from the lien on Pledged Revenues on a parity with the Bonds.

“Paying Agent/Registrar” means the Vice President for Finance of the College, or successor in function, and any substitute paying agent/registrar appointed by the College pursuant to Section 8 of the Bond Resolution, as agent of the Governing Board for the payment, registration, transfer and exchange of the Bonds.

“Permitted Investments” means (i) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, or any of its agencies other than Farm Credit Consolidated System-wide Discount Notes, Federal Farm Credit Banks Consolidated System-wide Bonds, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives and Farmers Home



Administration,(ii) obligations fully guaranteed by the United States of America, or (iii) other investments and obligations permitted for the College under the laws of the State.

**“Pledged Revenues” means:**

A. The gross income and revenues of whatever nature derived from the operation or ownership of the System (except as otherwise excluded under the definition of System).

B. All gross proceeds of student tuition and fees of every nature collected from students at the College, except student activity fees and fees expressly imposed for the use or availability of buildings, structures or facilities excluded from the System under the definition thereof.

C. The proceeds of any interest subsidy with respect to Parity Bonds (to the extent any such interest subsidy is applicable with respect to a series of Parity Bonds) paid for or on account of the Governing Board or the College by any governmental body or agency.

D. All other income or revenues received by the College from proprietary activities carried on by the College, but excluding: (i) the proceeds of ad valorem taxes, (ii) State appropriations, and (iii) the proceeds of any College appropriations, gifts, contracts, grants and endowments, whether from or with public, private or governmental sources, which are restricted as to use. If the pledge of any one or more sources of other income or revenue to the payment of Parity Bonds shall ever be held by final decision of a court of competent jurisdiction to be invalid or to make Parity Bonds invalid because of constitutional restrictions on State indebtedness, the income or revenue derived from such source or sources shall not be subject to the pledge herein contained; and provided further, that there shall not be included in the other income or revenue which is the subject of this paragraph any income or revenue excluded under the provisions of paragraphs A or B of this definition.

**“Project” means the Series 2007 Project.**

**“Purchase Price” means \$4,570,909.00, the original aggregate principal amount of the Bonds.**

**“Purchaser” means the NMFA.**

**“Record Date” means the 15th day of the month preceding any interest payment date of the Bonds.**

**“Renewal and Replacement Fund” means the New Mexico Junior College System Revenue Bonds Renewal and Replacement Fund established pursuant to the Series 2005 Bond Resolution and continued and maintained by the College pursuant to Section 12 of this Bond Resolution.**

**“Reserve Requirement” means \$343,339.36 with respect to the Bonds, an amount that is less than or equal to the least of (i) the maximum annual debt service requirement on such series**

of Bonds; (ii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, or (iii) ten percent (10%) of the principal amount of the Bonds.

“Revenue Fund” means the New Mexico Junior College System Revenue Bonds Revenue Fund established pursuant to the Series 2005 Bond Resolution and continued and maintained by the College pursuant to Section 12 of this Bond Resolution.

“Series 2005 Bond Resolution” means the resolution authorizing the issuance of the Series 2005 Bonds that was adopted by the Governing Board on May 26, 2005, as amended by the Amendatory Resolution adopted by the Governing Board on June 21, 2005.

“Series 2005 Bonds” means the Series 2005 Bonds authorized pursuant to the Series 2005 Bond Resolution adopted by the Governing Board on May 26, 2005, as amended by the Amendatory Resolution adopted by the Governing Board on June 21, 2005.

“Series 2007 Acquisition Fund” means the New Mexico Junior College System Revenue Bonds, Series 2007 Acquisition Fund, established pursuant to Section 12 of the Bond Resolution, to be maintained by the College.

“Series 2007 Bonds” means the bonds designated as the “New Mexico Junior College System Revenue Bonds, Series 2007” authorized by the Bond Resolution to be issued in the original principal amount of \$4,570,909.00.

“Series 2007 Capitalized Interest Account” means a subaccount established under the Series 2007 Debt Service Account in the name of the College and administered by the NMFA pursuant to the Indenture.

“Series 2007 Debt Service Account” means the New Mexico Junior College System Revenue Bonds, Series 2007 Debt Service Account established in the name of the College and administered by the NMFA pursuant to the Indenture.

“Series 2007 Debt Service Reserve Account” means the New Mexico Junior College System Revenue Bonds, Series 2007 Debt Service Reserve Account established in the name of the College and administered by the Indenture Trustee pursuant to the Indenture.

“Series 2007 Project” means the deposit in the Series 2007 Acquisition Fund of amounts to be expended for the purchasing, erecting, altering, improving, repairing, furnishing and equipping of buildings, structures and facilities for the use of the College, specifically, the construction of a student housing project, and the payment of Expenses.

“State” means the State of New Mexico.

“System” means all housing facilities (student, faculty and other) and all other buildings, structures, improvements and facilities located on the campus of the College from the use and availability of which income is produced, present and future, owned or operated by the College or the Governing Board, including, without limitation, dormitories, student unions, auditoriums, dining halls, book stores, owned or operated by the College or the Governing Board; provided that as additional housing and other facilities are acquired by the College or the Governing Board

from time to time hereafter, and as existing facilities in the System are improved or extended, such additional, improved or extended facilities shall become part of the System; except that the Governing Board retains the right to acquire, construct, improve or extend any one or more such facilities hereafter and to provide by resolution that any such facility so acquired, constructed, improved or extended shall not become a part of the System, and any such facility so excepted shall not become a part of the System and the income and revenues derived therefrom shall not be part of the Pledged Revenues.

“Tax Compliance Certificate” means the Tax Compliance Certificate to be executed and delivered by the College at the time of the issuance of the Bonds, as the same may be amended or supplemented in accordance with its terms.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Bond Resolution) by the Governing Board and the officers, agents, attorneys, advisors, and employees of the College, directed toward the Project, the issuance of the Bonds for the Project; and the sale of the Bonds to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of Project. The Project is hereby authorized and ordered at a total cost estimated not to exceed \$4,000,000, excluding any cost defrayed or to be defrayed from any source other than the Bond proceeds.

Section 4. Findings. The Governing Board hereby declares that it has considered all relevant information and data and hereby makes the following findings:

- A. It is in the best interest of the College to undertake the Project.
- B. Moneys available for the Project from all sources other than the issuance of the Bonds are not sufficient to defray the cost of the Project.
- C. The issuance by the College of the Bonds to provide funds for the Project is necessary and authorized under the Act.
- D. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds and the Pledged Revenues are sufficient to pay the principal of and interest on the Bonds when due.
- E. It is economically feasible to defray the cost of the Project by the issuance of the Bonds and the cost of the Project is reasonable.

Section 5. Bonds – Authorization and Detail.

A. Authorization. This Bond Resolution has been adopted by the affirmative vote of a majority of all of the members of the Board. It is hereby declared necessary that the College, pursuant to the Act, issue one series of its negotiable, fully registered, System Revenue Bonds to be designated the “New Mexico Junior College System Revenue Bonds, Series 2007,” in the aggregate principal amount of \$4,570,909.00. The Board hereby authorizes the issuance, sale and delivery of the Bonds in the principal amounts, interest rates and maturities set forth in

the Debt Service Schedule attached to this Bond Resolution as Exhibit "A" in the form set forth in Section 9 herein, with the terms for payment, redemption and other features as set forth in this Bond Resolution.

**B. Details of Bonds.**

(i) There is hereby authorized and created a series of bonds designated as the New Mexico Junior College System Revenue Bonds, Series 2007.

(ii) The Series 2007 Bonds shall be issued in the original aggregate principal amount of \$4,570,909.00 for the Series 2007 Project, in the principal amounts, bearing interest rates and with the maturity dates set forth in Exhibit "A." The forms, terms, and provisions of the Bonds, in the form set forth in Section 9 herein, are hereby approved with only such changes therein as are not inconsistent with this Bond Resolution.

(iii) The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in such numbers and denominations as may be requested by the Purchaser. The Bonds shall be numbered separately and consecutively and shall be dated the Delivery Date. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semi-annually on May 1 and November 1 in each year commencing on May 1, 2008 until their respective maturities at the interest rates and shall mature in the designated amounts and on May 1 of each of the years stated in Exhibit "A" to this Bond Resolution.

**C. Special Obligations.** All of the Bonds, together with the interest accruing thereon, shall be special obligations of the College and shall be payable and collectible solely from the Pledged Revenues, which income is irrevocably so pledged. No obligation under the Bond Resolution or under the Bonds shall ever be or become a charge or debt against the State or a pledge of the faith and credit of the State or shall be payable from the proceeds of ad valorem taxes but shall be payable solely as provided in the Bond Resolution.

**Section 6. Prior Redemption.** The Bonds are subject to optional redemption by the College, in whole or in part, at one hundred percent (100%) of the par amount of the Bonds being redeemed, at any time beginning one year after the Delivery Date.

**A. Notice.** Notice of redemption shall be given by the Paying Agent/Registrar by sending a copy of such notice by first-class, postage prepaid mail at least sixty (60) days prior to the redemption date to the registered owner(s), of the Bonds to be redeemed at the address shown as of the close of business of the Paying Agent/Registrar on the sixtieth (60th) day prior to the redemption date. The College shall give the Paying Agent/Registrar written instructions to give notice of redemption to the Purchaser at least sixty (60) days prior to such redemption date. Neither the College's failure to give such notice nor the Paying Agent/Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bonds to be redeemed,

the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent/Registrar the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be deposited by the Paying Agent/Registrar to the Series 2007 Debt Service Account, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent/Registrar, the Paying Agent/Registrar will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent/Registrar by the College.

B. Conditional Redemption. If money or Government Obligations sufficient to pay the optional redemption price of the Bonds to be called for optional redemption are not on deposit with the Paying Agent/Registrar prior to the giving of notice of optional redemption pursuant to paragraph B of this Section, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price deposited to the Series 2007 Debt Service Account by 10:00 a.m. [2:00 p.m.] prevailing local time on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent/Registrar. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in a manner deemed reasonable and fair by the College and the Paying Agent/Registrar shall give notice, in the manner in which the original notice of optional redemption was given, that such money was not received. In that event, the Paying Agent/Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been redeemed.

Section 7. Filing of Signatures. Prior to the execution of any Bond pursuant to Sections 6-9-1 through 6-9-6, NMSA 1978, as amended, the Chairman and Secretary shall each file with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Registration, Transfer and Exchange.

A. Registration and Transfer. The College shall keep or cause to be kept at the office of the Paying Agent/Registrar books or records of the registration and transfer of the Bonds (the "Registration Books"), and the Governing Board hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers of registrations under such reasonable regulations as the College and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers of registrations as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which

payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The College shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such Bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, (i) evidencing the assignment of the Bond, or any portion thereof, in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new Bond or Bonds shall be issued in conversion and exchange therefor in the manner herein provided. If any Bond or portion thereof is assigned and transferred or converted each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is exchanged. A form of assignment shall be printed or endorsed on each Bond which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Bonds or any portion or portions thereof for transfer of registration, an authorized representative of the Paying Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered Bond or Bonds of the same series, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Bond or Bonds), or to the previous registered owner in case only a portion of a Bond is being assigned and transferred, all in exchange for said assigned Bond or Bonds or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 8(D), below, for the transfer or exchange of Bonds by any registered owner of a Bond. The College shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Bond or Bonds, 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 any Bond or any portion thereof (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 sixty (60) days prior to its redemption date.

B. Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Bond Resolution, whether or not such Bond shall be overdue, and the College and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. Payment of Bonds and Interest. The Governing Board hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to transfer and exchange or replace Bonds, all as

provided in this Bond Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the College and the Paying Agent/Registrar with respect to the Bonds, and of all transfers and exchanges of Bonds, and all replacements of Bonds, as provided in this Bond Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "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 College. Notice of payment of the past due interest (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 Bondholder appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

D. Transfer and Exchange or Replacement; Authentication. Each Bond issued and delivered pursuant to this Bond Resolution, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Bond at the office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be transferred and exchanged for fully registered bonds in the form prescribed in this Bond Resolution, in the denomination of \$5,000, or any integral multiple of \$5,000 as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal balance or principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. Each such Bond shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the Bond is being exchanged; and each such Bond shall bear interest at the single rate applicable to and borne by such installment of principal or portion thereof for which it is being exchanged. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a Bond or Bonds having the same series and maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall be of the same series, have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall transfer and exchange or replace Bonds as provided herein, and each fully registered bond delivered in transfer of and exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Bond Resolution shall constitute one of the Bonds for all purposes of this Bond Resolution, and may again be transferred and exchanged or replaced. Each Bond authenticated after the first scheduled Record Date shall bear interest from the interest payment date next preceding the date on which such substitute Bond was so authenticated, unless such Bond is authenticated after any Record Date but on or before the next following interest payment date, in which case it shall bear interest from such next following interest payment date; provided, however, that if at the time of delivery of any Bond the interest on the Bond for which it is being exchanged is due but has not

been paid, then such Bond shall bear interest from the date to which such interest has been paid in full.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Certificate of Authentication on each Bond, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer and exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the Governing Board or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. The duty of transfer and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the transferred and exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds originally issued pursuant to this Bond Resolution.

E. In General. All Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the form of Bond set forth in this Bond Resolution.

F. Payment of Fees and Charges. The College hereby covenants with the registered owners of the Bonds that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Bonds, and with respect to the transfer and exchange of Bonds solely to the extent above provided in this Bond Resolution.

G. Substitute Paying Agent/Registrar. The College covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Vice President for Finance of the College, or successor in function, originally appointed as Paying Agent/Registrar pursuant to this Bond Resolution will continue to serve in such capacity or the College will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Bond Resolution, and that the Paying Agent/Registrar will be one entity. The College reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred twenty (120) days' written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the College covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Bond



Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the College. Upon any change in the Paying Agent/Registrar, the College promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Bond Resolution, and a certified copy of this Bond Resolution shall be delivered to each Paying Agent/Registrar.

Section 9. Form of Bond. The form of all Bonds issued in exchange or replacement of any other Bond or portion thereof, including the Paying Agent/Registrar's Certificate, and the form of Assignment shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Bond Resolution. The Bonds shall recite that they are issued under the authority of the Act which recital shall conclusively impart full compliance with all of the provisions of the Act and the Bonds shall be incontestable for any cause whatsoever after their delivery for value.

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO  
No. \_\_\_\_

COUNTY OF LEA  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

NEW MEXICO JUNIOR COLLEGE  
SYSTEM REVENUE BONDS  
SERIES 2007

Interest Rate  
\_\_\_\_\_%

Maturity Date  
May 1, 20\_\_\_\_

Delivery Date  
\_\_\_\_\_, 2007

ON THE MATURITY DATE specified above, the Board of Trustees of New Mexico Junior College (the "Governing Board"), for and on behalf of New Mexico Junior College (the "College"), being a community college district duly organized under the laws of the State of New Mexico, hereby promises to pay to \_\_\_\_\_ or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of \$ \_\_\_\_\_ and to pay interest thereon from the Delivery Date to the maturity date specified above or the date of redemption prior to maturity at the interest rate per annum specified above with interest being payable on May 1, 2008 and semiannually on each May 1 and November 1 thereafter to its maturity. This Bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the office of the College's Vice President for Finance, or his successor in function, who is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft (or by other arrangement as may be mutually agreed to by the Paying Agent/Registrar and the registered owner), dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the College required by the Resolutions relating to the issuance of the Bonds (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the 15th day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due

upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the office of the Paying Agent/Registrar upon presentation and surrender of this Bond for redemption and payment at the office of the Paying Agent/Registrar. The College covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Retirement Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds initially dated the Delivery Date, authorized in accordance with the Constitution and laws of the State of New Mexico in the original principal amount of \$\_\_\_\_\_ for the purpose of providing funds for constructing, purchasing, improving, furnishing and equipping buildings, structures and facilities for the use of the College.

THIS BOND is issued under the authority of Sections 6-17-1 through 6-17-19, NMSA 1978, as amended, and shall be incontestable for any cause whatsoever after its delivery for value.

THE BONDS are subject to prior redemption at the option of the College, in whole or in part at any time beginning one year after the Delivery Date, without premium, at 100% of the par amount of the Bonds being redeemed, at any time beginning one year after the Delivery Date in one or more units of principal of \$5,000 in such order of maturities as the College may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Paying Agent/Registrar in such manner as it shall consider appropriate and fair). The Bonds may be redeemed only in an integral multiple of \$5,000. The redemption price of the Bonds selected for redemption shall be equal to the principal amount of each \$5,000 unit so redeemed, plus accrued interest to the redemption date.

THE BONDS are not subject to mandatory sinking fund redemption.

AT LEAST 60 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, to the registered owner of each Bond to be redeemed at its address as it appeared on the 60th day prior to the 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 mailed 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 College, all as provided in the Bond Resolution.

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 College kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond 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 transfer of and exchange for this Bond. The College 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 registered owner of this Bond shall be deemed and treated by the College and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the College and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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 Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be transferred or 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 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 Bond Resolution. The College shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring or exchanging any Bond or any portion thereof, but the one requesting such transfer or 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 transfer or exchange. The Paying Agent/Registrar shall not be required to make any such transfer or exchange (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 portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the College, resigns, or otherwise ceases to act as such, the College has covenanted in the Bond 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 covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proposed to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond and the Series of which it is a part, together with other outstanding System Revenue Bonds of the College, which are secured by and payable from a pledge of, and an irrevocable first lien (but not an exclusive first lien) on, the Pledged Revenues which have been defined in the Bond Resolution to mean the gross income and revenues of the System (defined in the Bond Resolution), the gross proceeds of the collection of student tuition and certain student fees, and all other College income or revenues from proprietary activities except that Pledged Revenues does not include certain facilities excluded in the Bond Resolution from the System, the proceeds of ad valorem taxation or restricted contracts and grants. For a full description of the funds, the System, the Pledged Revenues and the nature and extent of the security afforded thereby for the payment of the principal of, premium, if any, and interest on the Bonds, reference is made to the Bond Resolution. The Bonds, together with other outstanding System Revenue Bonds, are equally and ratably secured by a pledge of the Pledged Revenues.

THE COLLEGE reserves the right to issue additional parity bonds under the terms and conditions stated in the Bond Resolution and such bonds may be made payable from the same source, secured in the same manner and placed on a parity with this Bond.

THE OWNER hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation. This Bond is not an obligation or indebtedness of the State of New Mexico, but is a special obligation of the College.

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

IN WITNESS WHEREOF, the College has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the Governing Board and countersigned with the manual or facsimile signature of the Secretary (or, in the absence of the Secretary, the Vice

Chairman) of the Governing Board, and has caused the official seal of the College to be duly impressed, or placed in facsimile, on this Bond.

**BOARD OF TRUSTEES  
NEW MEXICO JUNIOR COLLEGE**

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

By \_\_\_\_\_  
Secretary

[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: \_\_\_\_\_

New Mexico Junior College  
Vice President for Finance

\_\_\_\_\_  
As Paying Agent/Registrar

By \_\_\_\_\_  
\_\_\_\_\_

[End of Form of Paying Agent/Registrar's Authentication Certificate]

[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.

[End of Form of Assignment]

[End of Form of Bond]



Section 10. Disposition of Proceeds. The proceeds of the Bonds, promptly upon receipt thereof by the Indenture Trustee on the Delivery Date, will be deposited and used as follows:

A. Series 2007 Program Account. \$4,000,000.00 will be transferred by the Purchaser to the Indenture Trustee for deposit in the Series 2007 Program Account established pursuant to the Indenture, and acknowledged and approved in Section 12 of this Bond Resolution.

B. Series 2007 Debt Service Reserve Account. \$343,339.36, which amount is equal to the Reserve Requirement for the Series 2007 Bonds, shall be deposited in the Series 2007 Debt Service Reserve Account, established pursuant to the Indenture, acknowledged and approved in Section 12 of this Bond Resolution, and which shall be used as provided in Section 14 of this Bond Resolution.

C. Series 2007 Capitalized Interest Account. \$227,568.47, representing [three (3) semi-annual interest payments], shall be deposited in the Series 2007 Capitalized Interest Account, established pursuant to the Indenture, acknowledged and approved in Section 12 of this Bond Resolution, and which shall be used as provided in Section 14 of this Bond Resolution.

D. Series 2007 Debt Service Account. \$1.17 shall be deposited in the Series 2007 Debt Service Account, established pursuant to the Indenture, acknowledged and approved in Section 12 of this Bond Resolution, and which shall be used as provided in Section 14 of this Bond Resolution.

E. Series 2007 Acquisition Fund. Except as otherwise provided herein, amounts deposited to the Series 2007 Program Account as provided in paragraph A of this Section shall be available for transfer to the College for deposit in the Series 2007 Acquisition Fund (which transfer may take place on the Delivery Date), pursuant to a requisition or requisitions, as provided in the Indenture. The moneys deposited in the Series 2007 Acquisition Fund shall be used solely for the Series 2007 Project and payment of the Expenses. Investment earnings on moneys deposited in the Series 2007 Acquisition Fund may be transferred to the Series 2007 Debt Service Account if the amount remaining in the Series 2007 Acquisition Fund, after giving effect to such transfer, is anticipated to be sufficient to complete the Series 2007 Project. After the Series 2007 Project is completed, all money remaining in the Series 2007 Acquisition Fund, if any, (i) may be deposited into the Series 2007 Debt Service Account to be used for the payment of the principal of and the interest on the Series 2007 Bonds next coming due; or, (ii) may be used for any other lawful purpose if there is provided a written opinion of nationally-recognized bond counsel to the effect that such use is permissible under State law and that such use will not adversely affect the exclusion of interest on the Series 2007 Bonds from gross income of the owners thereof for federal income tax purposes under the Code.

F. Purchaser Not Responsible. The validity of the Bonds is not dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Project. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall in no

manner be responsible for the application or disposal by the College or by any officer or any employee or other agent of the College of the moneys derived from the sale of the Bonds.

Section 11. Approval of Documents. Forms of a Bond Purchase Agreement, a Deposit and Cross-Receipt Certificate and a Requisition have been filed in the office of the Vice President for Finance of the College and presented to the Governing Board. The forms, terms and provisions of the Bond Purchase Agreement, the Deposit and Cross-Receipt Certificate and the Requisition are in all respects approved, authorized and confirmed. The Chairman of the Governing Board is authorized and directed to execute, and the Secretary of the Governing Board (or, in the absence of the Secretary, the Vice Chairman of the Governing Board) is authorized and directed to affix the seal of the College to, and attest, the Bond Purchase Agreement, the Deposit and Cross-Receipt Certificate, the Requisition and the Bonds, in substantially the form presented to the Governing Board, subject to such changes as may be required by the New Mexico Higher Education Department and the New Mexico State Board of Finance in approving the Bonds, and as shall be approved by the Chairman, the Chairman's execution thereof to constitute conclusive evidence of approval of any and all changes or revisions thereof from the form approved hereby; any such changes which are inconsistent with the terms of the Bond Resolution shall be approved by subsequent resolution of the Governing Board. From and after the execution and delivery of the Bonds and the Bond Purchase Agreement, the officers, agents and employees of the Governing Board and the College are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement and the Bonds, as executed. The Chairman, Vice Chairman, Secretary, President and Vice President for Finance are hereby authorized and directed to execute a Tax Compliance Certificate, a General and No-Litigation Certificate, a Pledged Revenue Certificate, and such other closing documents and certificates as may be required by the Purchaser.

Section 12. Bond Funds and Accounts. The Governing Board hereby creates or acknowledges and approves the following special and separate funds and accounts to be maintained by the College, the Purchaser or the Indenture Trustee, as specified:

A. Revenue Fund. The "New Mexico Junior College System Revenue Bonds Revenue Fund" established pursuant to the Series 2005 Bond Resolution for the deposit of Pledged Revenues is hereby continued, created or acknowledged and shall be maintained in any account or accounts in one or more regular depositories of the College.

B. Interest and Retirement Fund. The "New Mexico Junior College System Revenue Bonds Interest and Retirement Fund" established pursuant to the Series 2005 Bond Resolution is hereby continued, created or acknowledged and shall be maintained in any account or accounts in one or more regular depositories of the College.

C. Series 2007 Program Account. The "New Mexico Junior College System Revenue Bonds, Series 2007 Program Account" to be established and maintained by the Indenture Trustee pursuant to the Indenture is hereby acknowledged and approved.

D. Series 2007 Debt Service Account and Capitalized Interest Account. The "New Mexico Junior College System Revenue Bonds, Series 2007 Debt Service Account" and,

within that account, the “New Mexico Junior College System Revenue Bonds, Series 2007 Capitalized Interest Account,” each to be established and maintained by the Purchaser pursuant to the Indenture are hereby acknowledged and approved.

E. Series 2007 Debt Service Reserve Account. The “New Mexico Junior College System Revenue Bonds, Series 2007 Debt Service Reserve Account” to be established and maintained by the Indenture Trustee pursuant to the Indenture is hereby by acknowledged and approved for deposit of a portion of the proceeds of the Bonds, in the amount of the Reserve Requirement for the Bonds.

F. Series 2007 Acquisition Fund. The Governing Board hereby establishes the “New Mexico Junior College System Revenue Bonds, Series 2007 Acquisition Fund” for the deposit of Series 2007 Bond proceeds transferred from the Series 2007 Program Account pursuant to one or more Requisitions, as provided in the Indenture.

G. Renewal and Replacement Fund. The “New Mexico Junior College System Revenue Bonds Renewal and Replacement Fund” established pursuant to the Series 2005 Bond Resolution is hereby continued, created or acknowledged and shall be maintained in any account or accounts in one or more regular depositories of the College.

Section 13. Disposition of Pledged Revenues. So long as any of the Bonds or the Parity Bonds are outstanding, either as to principal or interest, or both, the College shall cause the Pledged Revenues to be collected and deposited as received on a regular basis in the Revenue Fund and to make the payments from the Revenue Fund into the Interest and Retirement Fund and the Renewal and Replacement Fund, and as otherwise required or permitted by Section 14 of the Bond Resolution.

Section 14. Deposits and Use of Pledged Revenues.

A. Capital Interest Account. On the date of delivery of the Bonds, to the Purchaser, there shall be deposited from proceeds of the Bonds into the capitalized Interest Account an amount equal to the Capitalized Interest Deposit, which shall be used to pay the first [2] semi-annual installments of interest on the Bonds.

B. Debt Service Account and Capitalized Interest Account.

(i) On the date of delivery of the Bonds to the Purchaser, there shall be deposited from proceeds of the Bonds into the Capitalized Interest Account an amount equal to the Capitalized Interest Deposit, which shall be used to pay the first [three (3)] semi-annual installments of interest on the Bonds.

(ii) While any Series 2007 Bonds are outstanding, Pledged Revenues shall first be transferred from the Revenue Fund to the Interest and Retirement Fund, and then to the Purchaser for deposit into the Series 2007 Debt Service Account as provided below:

(a) such amounts, at least five (5) days prior to the applicable interest payment date, as will be sufficient, together with other monies, if any, then on deposit

therein for such purpose, to pay the interest scheduled to come due on the Bonds on the next interest payment date; and

(b) such amounts, at least five (5) days prior to the applicable principal payment date, as will be sufficient to pay the next maturing principal payment on the Bonds.

C. Payment of Parity Bonds. Concurrently with the payments required in paragraph B of this Section, while any Parity Bonds (other than the Bonds) are outstanding, Pledged Revenues shall be transferred, first, from the Revenue Fund to the Interest and Retirement Fund and, then, to the Purchaser for deposit into the applicable debt service account as provided below:

(i) such amounts, at least five (5) days prior to the applicable interest payment date, as will be sufficient, together with other monies, if any, then on deposit therein for such purpose, to pay the interest scheduled to come due on the Parity Bonds (other than the Bonds) on the next interest payment date; and

(ii) such amounts, at least five (5) days prior to the applicable principal payment date, as will be sufficient to pay the next maturing principal payment on the Parity Bonds (other than the Bonds).

D. Amount of Installments. In order to allow for seasonal variations in Pledged Revenues, the College may make the payment of such installments in an amount greater than the above required amounts. If, on or before the applicable payment date there has been accumulated in the Series 2007 Debt Service Account and in debt service accounts established for Parity Bonds other than the Bonds, amounts in excess of the amount required to then be on deposit therein, the payment required by such date may be appropriately reduced by the excess on deposit in the Series 2007 Debt Service Account and the other debt service accounts; provided that the amount accumulated in the Series 2007 Debt Service Account and other debt service accounts on the fifth (5th) day prior to an interest payment date for Parity Bonds must always be sufficient to pay in full all principal and interest becoming due on such interest payment date on all Parity Bonds then outstanding. Except as provided in paragraph F of this Section, the moneys in the Series 2007 Debt Service Account and other debt service accounts shall be used only to pay the principal of and interest on the Parity Bonds as the same become due.

E. Debt Service Reserve Account. There shall be maintained in the Series 2007 Debt Service Reserve Account one hundred percent (100%) of the Reserve Requirement for the Bonds. If, for any reason, the amounts on deposit in the Series 2007 Debt Service Reserve Account do not satisfy the entire applicable Reserve Requirement, and subject to the payments required and provisions contained in paragraphs B and C of this Section, a sufficient amount of Pledged Revenues to satisfy such deficiency shall be transferred or caused to be transferred by the Governing Board to the Indenture Trustee for deposit in the Series 2007 Debt Service Reserve Account. No payment need be made into the Series 2007 Debt Service Reserve Account so long as the moneys therein shall be equal to or greater than the applicable Reserve Requirement. If the amount on deposit in the Series 2007 Debt Service Reserve Account ever

exceeds the amount then required to have been accumulated, the amount of any payment required to be made on the date on which any such excess exists may be reduced by the amount of such excess. The moneys in the Series 2007 Debt Service Reserve Account shall be accumulated and maintained as a continuing reserve to be used, except as hereafter provided in paragraphs E and F of this Section, only to prevent deficiencies in the payment of the principal of or interest on the Bonds resulting from the failure to transfer money for deposit into the Series 2007 Debt Service Account in sufficient amounts to pay such principal and interest as the same become due. Cash accumulated in the Series 2007 Debt Service Reserve Account shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code.

F. Termination Upon Deposits to Maturity. No payment need be made into the Series 2007 Debt Service Account or the Series 2007 Debt Service Reserve Account if the aggregate amount on deposit in the Series 2007 Debt Service Account and the Series 2007 Debt Service Reserve Account totals a sum at least equal to the entire amount of principal and interest due and to become due on the Outstanding Bonds to their respective maturities, both accrued and not accrued. In such case, moneys in the Series 2007 Debt Service Account and Series 2007 Debt Service Reserve Account shall be used solely to pay principal and interest on the Bonds as the same become due, and any moneys in excess thereof in the Series 2007 Debt Service Account and Series 2007 Debt Service Reserve Account and any other Pledged Revenues may be used as provided below in this Section.

G. Defraying Delinquencies in Debt Service Accounts.

(i) If at any time a deposit due pursuant to paragraph A of this Section shall not be paid, for any reason, into the Series 2007 Debt Service Account, then an amount shall be paid into the Series 2007 Debt Service Account at such time from moneys on deposit in the Series 2007 Debt Service Reserve Account equal to the difference between that paid from the Pledged Revenues and the amount so required. To the extent that the moneys on deposit in the Series 2007 Debt Service Reserve Account will not be sufficient to pay such deficiency when payment of principal of or interest on the Bonds is due, the College shall transfer Pledged Revenues to the Indenture Trustee for deposit to the Series 2007 Debt Service Reserve Account in amounts sufficient to replenish that account to the Reserve Requirement. To the extent that the moneys on deposit in the Series 2007 Debt Service Reserve Account are not sufficient to pay such deficiency, then an amount shall be paid into the Series 2007 Debt Service Account at such time from the Renewal and Replacement Fund equal to the difference between the amount on deposit in the Series 2007 Debt Service Account and the Series 2007 Debt Service Reserve Account and the amount required to be paid. From the first Pledged Revenues thereafter received which are not required to be deposited in the Series 2007 Debt Service Account, there shall first be deposited into the Series 2007 Debt Service Reserve Account a sum equal to the amount withdrawn from the Series 2007 Debt Service Reserve Account. If, at any time, the College shall, for any reason, fail to pay into the Series 2007 Debt Service Reserve Account the full amount required above from the Pledged Revenues, the difference between the amount paid and the amount required shall in a like manner be paid therein from the first Pledged Revenues thereafter received not required to be otherwise applied. Except as provided in Section 32 hereof, the moneys in the Series 2007 Debt Service Account and the Series 2007 Debt Service Reserve Account shall be used solely and only for the purpose of paying the principal of and the

interest on the Series 2007 Bonds; provided, however, that any investment income derived from investment of amounts in the Series 2007 Debt Service Reserve Account, or any other moneys on deposit therein, in excess of the Reserve Requirement may at any time be withdrawn therefrom and may be used as provided below in this Section; except that any investment income derived from the Bond proceeds deposited in the Series 2007 Debt Service Reserve Account in excess of the Reserve Requirement shall be deposited in the Series 2007 Debt Service Account and used to pay principal of and interest on the Bonds.

(ii) In taking any action required by this section, the Governing Board shall at all times observe the covenants contained in Section 32 of this Bond Resolution.

H. Renewal and Replacement Fund. The Renewal and Replacement Fund may be used for the purpose of paying the costs of improvements, replacements, enlargements, extensions, additions, or other capital expenditures relating to the facilities of the College or the acquisition of land in connection therewith, and for paying extraordinary repairs and maintenance of College facilities, or for paying principal of and interest on any Parity Bonds, when and to the extent the amount in the Interest and Retirement Fund is insufficient for such purpose.

After making the required deposits from the Revenue Fund as set forth in paragraphs B, C, E and G of this Section 14, the College may make deposits from the Revenue Fund into the Renewal and Replacement Fund in each Fiscal Year until the amount therein is equal to a maximum amount of ten percent (10%) of the value of the College's buildings, equipment, furnishings and library books as stated in the College's annual audit for such Fiscal Year. If the amount on deposit in the Renewal and Replacement Fund is reduced to an amount less than such maximum amount, or if the Governing Board provides for an increase in such maximum amount in any resolution authorizing Additional Bonds, the College may, after making the deposits required by paragraphs B, C, E and G of this Section 14, make additional deposits from the Revenue Fund into the Renewal and Replacement Fund up to the then-applicable maximum amount. Notwithstanding anything to the contrary set forth in the Bond Resolution, the College may use interest earned on the amounts on deposit in the Renewal and Replacement Fund for any lawful purpose or purposes authorized by the Constitution and laws of the State.

I. Use of Surplus Pledged Revenues. After making the payments hereinabove required to be made under this Section and except as provided in Section 32 herein, the remaining Pledged Revenues, if any, may be applied to payment of junior lien obligations, and as determined by the College to any other lawful purpose or purposes authorized by the Constitution and laws of the State or as the Governing Board may direct and Pledged Revenues will be budgeted for the Operating and Maintenance Expenses as is necessary from that portion of the Pledged Revenues which may be used by the College for such purposes.

Section 15. General Administration of Funds. The funds and accounts designated in the Bond Resolution shall be administered as follows (except as otherwise provided by the Indenture in connection with funds and accounts maintained by the Indenture Trustee or the Purchaser):

A. Investment of Money. Money in the Revenue Fund and the Interest and Retirement Fund may be invested in any manner allowed by the laws of the State and money in the Series 2007 Debt Service Account may be invested in Permitted Investments maturing prior to the date on which the money so invested will be needed for the payment of principal of or interest on Parity Bonds. Money in the Renewal and Replacement Fund and the Series 2007 Debt Service Reserve Account (except with respect to the Series 2007 Debt Service Reserve Account, as may otherwise be provided in the Indenture) may be invested in Permitted Investments maturing not more than ten (10) years from the date of purchase. Moneys in each such Fund may also be invested in any of the following as may hereafter be permitted by the laws of the State and by the terms of the Indenture:

(i) interest-bearing demand or time deposits (including certificates of deposit) in Insured Banks, which deposits are fully insured by the Federal Deposit Insurance Corporation or continuously secured by Permitted Investments (valued at least every fourteen (14) days) not less than the amount so invested; and

(ii) investment agreements with Insured Banks, which agreements are fully insured by the Federal Deposit Insurance Corporation or continuously secured by Permitted Investments (valued at least every fourteen (14) days) not less than the amount so invested.

Except as otherwise set forth in the Bond Resolution, the obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account (subject to withdrawal at any time as permitted by Section 14 of the Bond Resolution), and any loss resulting from such investment shall be charged to the fund or account. Any obligations so purchased as an investment of moneys in any fund or account shall be presented for redemption or sale on the prevailing market whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund or account.

B. Deposits of Funds. The moneys and investments comprising the funds designated in the Bond Resolution shall be maintained and kept in an Insured Bank or Banks. Each payment shall be made into and credited to the proper fund at the designated time, except that when the designated time shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on the next succeeding Business Day. Except as otherwise provided in the Indenture, nothing herein shall prevent the establishment of one or more such accounts in Insured Banks for all of the funds and accounts in Section 12 of the Bond Resolution or shall prevent the combination of such funds with any other Insured Bank account or accounts for other funds and accounts of the College. The moneys in funds which are not invested shall be secured at all times in a manner required by the laws of the State for the securing of public moneys of the College. The depository holding the amounts on deposit in the Interest and Retirement Fund shall make such credit arrangements with any other bank or banks at which Parity Bonds are payable as will assure, to the extent of the moneys in the Interest and Retirement Fund, prompt payment of the principal of, premium, if any, and interest on the Parity Bonds as set forth in the applicable resolution of the College.

Section 16. Lien on Pledged Revenues; Equality of Parity Bonds. The Bonds are secured by an irrevocable first lien, but not an exclusive first lien, on the Pledged Revenues. The

Governing Board hereby pledges and grants to the owners of Parity Bonds, now owned or hereafter acquired, a security interest in the Pledged Revenues and in the moneys and securities on deposit in the Revenue Fund and the Interest and Retirement Fund for the payment of the principal of, premium, if any, and interest on the Parity Bonds. The pledges made pursuant to this Section are subject to the uses of the moneys in such Funds and Accounts permitted by Section 14 hereof, and shall have the priority set forth in Section 14 hereof.

The owners of Bonds and other Parity Bonds from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance.

Section 17. Additional Bonds.

A. Limitations Upon Issuance of Additional Bonds. Nothing in the Bond Resolution shall be construed in such a manner as to prevent the issuance by the College of Additional Bonds for the purpose of extending, enlarging, expanding, bettering or otherwise improving the System, payable from the Pledged Revenues and constituting a lien upon the Pledged Revenues on a parity with, but not prior or superior to, the lien of the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds. Before any additional Parity Bonds are authorized or actually issued (excluding refunding bonds or refunding obligations which refund Parity Bonds but including parity refunding bonds and obligations which refund subordinate obligations) all of the following conditions shall be met:

(i) The Vice President for Finance of the College shall sign a written certificate to the effect that the College is not in default in any covenant, condition, or obligation relating to any outstanding Parity Bonds, and the resolutions authorizing the issuance thereof, and that the Interest and Retirement Fund contains the amount then required to be on deposit therein.

(ii) The Vice President for Finance shall sign a written certificate to the effect that, during either the College's Fiscal Year immediately preceding the date of the adoption of the resolution authorizing the Parity Bonds proposed to be issued, or a twelve consecutive calendar month period, ending not more than ninety (90) days prior to the passage of the resolution authorizing the issuance of the proposed Parity Bonds, the Pledged Revenues actually received by the College were at least equal to one hundred thirty percent (130%) of the average annual principal and interest requirements on all outstanding Parity Bonds, but excluding the Parity Bonds proposed to be issued.

(iii) The Vice President for Finance of the College shall sign a written certificate to the effect that during each Fiscal Year of the College (commencing with the Fiscal Year which includes the date of the adoption of the resolution authorizing the issuance of the proposed Parity Bonds), while any Parity Bonds, including the proposed Parity Bonds, are scheduled to be outstanding, the Pledged Revenues reasonably estimated by such officer to be received during each of said Fiscal Years will be at least equal to one hundred thirty percent (130%) of the annual principal and interest requirements on all then outstanding Parity Bonds, including the proposed Parity Bonds, during each such Fiscal Year.



B. Subordinate Obligations Permitted. Nothing herein contained shall be construed to prevent the College from issuing bonds or other obligations payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien of the Bonds.

C. Superior Obligations Prohibited. Nothing herein contained shall be construed to permit the College to issue bonds or other obligations payable from the revenues of the System and having a lien thereon prior and superior to the Bonds.

Section 18. Refunding Bonds. The provisions of Section 17 of the Bond Resolution are subject to these exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time the Governing Board shall find it desirable to refund bonds or other obligations payable from and constituting a lien upon Pledged Revenues, the bonds or other obligations, or any part thereof, may be refunded (but the owners of bonds to be refunded may not be compelled to surrender their bonds, unless the bonds or other obligations, at the time or times of their required surrender for payment shall then mature, or shall then be callable for prior redemption at the College's option upon proper call), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed (except as provided in paragraph C of Section 17, and in paragraphs B, C and D of this Section 18). Any bonds issued for refunding purposes may be delivered in exchange for the outstanding bonds authorized to be refunded, or sold at public or private sale, or sold in part and exchanged in part.

B. Limitations upon Issuance of Parity Refunding Obligations. No refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued on a parity with the Bonds unless:

(i) The outstanding obligations so refunded are Parity Bonds and the refunding bonds or other refunding obligations do not increase annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with paragraph A of Section 17 of this Bond Resolution.

C. Refunding Part of an Issue. The refunding bonds or other refunding obligations issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds or other obligations of the same issue which are not refunded, if any; and the holder or holders of such refunding bonds or other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the same issue refunded thereby.

D. Limitations Upon Issuance of Any Refunding Obligations. Any refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued with such details as the Governing Board may by resolution provide, subject to the inclusion of any such rights and privileges designated in paragraph C of this Section but without impairment of any contractual obligation imposed upon the Governing Board by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including but not necessarily limited to the Bonds). If only a part of the outstanding bonds and

any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded, unless:

(i) The refunding bonds or other refunding obligations do not increase any annual principal and interest requirements for any Fiscal Year evidenced by such refunded obligations and by the then outstanding obligations not refunded; or

(ii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded; or

(iii) The refunding bonds or other refunding obligations are issued in compliance with paragraph A of Section 17 hereof.

Section 19. General Covenants. The Governing Board covenants and agrees, so long as the Bonds are outstanding, that:

A. The College and the Governing Board will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Bond Resolution and in each and every Parity Bond. The College will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Parity Bond, on the dates and in the places and manner prescribed in such Parity Bonds. The College will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the Pledged Revenues, the amounts of money specified herein.

B. The College is duly authorized under the laws of the State to issue and deliver the Bonds. All action on the Governing Board's part for the authorization, issuance and delivery of the Bonds has been duly and effectively taken, and the Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the College in accordance with their terms.

C. The College lawfully owns and is lawfully possessed of the lands upon which the existing campuses, buildings and facilities constituting the College are located. The Governing Board is lawfully qualified to pledge the Pledged Revenues to the payment of Parity Bonds in the manner prescribed herein, and has lawfully exercised such rights.

D. The College will, from time to time, and before the same become delinquent, pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon the College, or the campus, buildings and facilities of the College.

E. The Governing Board will, if necessary to meet the payment to the Series 2007 Debt Service Account, adopt such reasonable regulations and requirements relating to the use of the College's facilities as shall be necessary to assure that the facilities will be as fully utilized as reasonably possible.

F. The Governing Board will continuously and efficiently operate and maintain in good condition, or cause to be continuously and efficiently operated and maintained

in good condition, the College and the facilities and services thereof, so long as any Parity Bonds are outstanding.

G. While the Parity Bonds are outstanding and unpaid, the Governing Board will not additionally encumber the Pledged Revenues in any manner, except as permitted by the Bond Resolution.

H. Proper books of record and account will be kept in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Pledged Revenues, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any owner of Parity Bonds.

I. Each year while any of the Parity Bonds are outstanding, an audit will be made of the College's books and accounts relating to the Pledged Revenues by an Independent Accountant, such audit to be based on the Fiscal Year of the College.

J. While any Parity Bonds are outstanding and unpaid, the College shall keep the System in reasonable repair and shall not sell, convey, mortgage, or in any manner transfer title to, or lease (except to provide professional management of auxiliary facilities or services after the Vice President for Finance of the College certifies that the College reasonably anticipates that the College will receive increased Pledged Revenues as a result of such lease), or otherwise dispose of any property providing Pledged Revenues, except that whenever the College deems it necessary to dispose of any furnishings and equipment, it may sell or otherwise dispose of such furnishings and equipment when they have made arrangements to replace the same or provide substitutes therefor. However, the College reserves the right to abandon the use of, or sell at fair market value, any facilities that provide Pledged Revenues, provided that:

(i) The Governing Board and the College are in full compliance with all covenants and undertakings in connection with all of the Parity Bonds outstanding;

(ii) The Governing Board will, in the event of sale, apply the proceeds to either (a) redemption of outstanding Parity Bonds in accordance with the provisions governing repayment of Parity Bonds in advance of maturity, or (b) replacement of the facility disposed of by another facility and in such case the revenues of such facility shall be part of the Pledged Revenues, or (c) depositing such proceeds ratably in the Series 2007 Debt Service Account for payment of the next ensuing payments of principal of and interest on the Bonds and in the applicable debt service accounts for other Parity Bonds;

(iii) The Vice President for Finance of the College certifies, prior to any abandonment of use, that (a) the facility to be abandoned is of substandard quality and no longer capable of producing positive net revenues after payment of operation and maintenance expenses thereof, and/or (b) the conversion, abandonment, razing or removal is necessary to carry out the College's campus master plan;

(iv) The Vice President for Finance of the College certifies that the Pledged Revenues during either the College's prior Fiscal Year or the twelve- (12-) calendar month period immediately preceding such abandonment, sale or other disposition would have been at least one hundred thirty percent (130%) of the maximum annual principal and interest

requirements on all outstanding Parity Bonds for such Fiscal Year or twelve- (12-) month period, if such sale, abandonment or disposition had occurred at the beginning of such Fiscal Year or twelve- (12-)month period; and

(v) The Vice President for Finance of the College certifies that the estimated Pledged Revenues for the then succeeding Fiscal Year plus the estimated revenues of the facility, if any, to be added to the Pledged Revenues satisfy the earnings test required in Section 17 for the issuance of Additional Bonds.

K. Insurance on the College's facilities and equipment will be maintained in an amount equal to eighty percent (80%) of the full insurable value thereof. In case of loss, the proceeds of such insurance will be used to repair, restore or replace such facilities, if necessary to the College's function. If the insurance proceeds are not sufficient to repair, restore or replace such facility, any available revenues of the College may be used for such purpose. If the Governing Board determines that the repair, restoration or replacement of such facilities is not necessary to the function of the College or other revenues are not available at the time to make such repairs, restoration or replacement, then the insurance proceeds shall be used promptly as follows:

(i) For the redemption prior to maturity of Parity Bonds, if any, ratably in the proportion that the outstanding principal of each series or issue of Parity Bonds bears to the total outstanding principal of all Parity Bonds; provided that if on any such occasion the principal of any such series or issue of Parity Bonds is not subject to redemption within twelve (12) months of the date that such proceeds are available to the College, such series or issue shall not be regarded as outstanding in making the foregoing computation; or

(ii) For payment of the next ensuing payments of principal of, premium, if any, and interest on Parity Bonds in the same proportion as prescribed in clause (i) above; or

(iii) If Parity Bonds are available for purchase, insurance proceeds may be used for the purchase on the open market and retirement of Parity Bonds, in the same proportion as prescribed in the foregoing clause (i), to the extent practicable; provided that the purchase price for any such Parity Bond shall not exceed the redemption price of such Parity Bond on the first date upon which it thereafter becomes subject to redemption; or

(iv) To the extent that the foregoing clauses (i), (ii) and (iii) cannot be complied with, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the College, to be designated the Insurance Account. The Insurance Account shall be held until such time as either clause (i), (ii) and/or (iii) can be complied with, or until other revenues become available which, together with the moneys in the Insurance Account, will be sufficient to make the repairs or replacements originally required.

L. The Governing Board will at all times impose and collect rates and charges for the use of all buildings and facilities comprising the System and for all commodities and services sold or supplied therein or furnished thereby, and will impose and collect such

student tuition and fees for the use and availability of the System, as will be fully sufficient, together with the other income and revenues of the College received from sources other than (i) sources excluded from the System, (ii) the proceeds of ad valorem taxation, (iii) State appropriations, or (iv) the proceeds of any College appropriations, gifts, contracts, grants and endowments, whether from or with public, private or governmental sources, which are restricted as to use, to permit the performance of all the covenants in and requirements of the Bond Resolution, including the prompt payments required by Section 14 into the Series 2007 Debt Service Account and the Series 2007 Debt Service Reserve Account, any required reimbursements of proceeds of the Reserve Account Bond, the payments required by resolutions specifically authorizing the issuance of Parity Bonds other than the Bonds, and the payment of Operating and Maintenance Expenses.

Section 20. Events of Default. Each of the following events is hereby declared to be an “event of default”:

A. Nonpayment. The failure to make any payment of principal of, premium, if any, or interest on any Parity Bond on the date the same becomes due and payable.

B. Default of Any Provision. Default in the due and punctual observance or performance of any of the covenants, conditions and agreements on the part of the Governing Board or the College in the Parity Bonds or in any resolution of the Governing Board authorizing the issuance of outstanding Parity Bonds, other than as specified in paragraph A of this Section, and failure to remedy such default for a period of sixty (60) days after written notice thereof specifying such failure and requiring the same to be remedied shall have been given to the Governing Board by the holders of not less than twenty-five percent (25%) in aggregate principal amount of the outstanding Parity Bonds.

C. Bankruptcy. The College shall file a petition seeking relief or a petition shall be filed against the College seeking relief, which shall not be stayed or dismissed within sixty (60) days, under any bankruptcy law or similar law for relief of debtors.

D. Failure to Maintain Reserve Requirements. The College shall fail to maintain the Reserve Requirement after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Governing Board by the Purchaser or the Indenture Trustee and the College shall not have taken action to correct such failure within sixty (60) days from the receipt of such notice.

Section 21. Rights and Remedies. Upon the occurrence of any event of default, the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Parity Bonds, including a trustee or trustees for the owners of Parity Bonds, shall, in addition to all other remedies and rights of owners of any of the Parity Bonds, have the right and power for the equal benefit and protection of all owners of the Parity Bonds similarly situated, by suit, action, mandamus or proceeding, at law or in equity, to protect, enforce and compel performance by the Governing Board or the College and any of the officers, agents and employees of the Governing Board or the College, to perform and carry out its and their duties and obligations under the resolution or the law pursuant to which the Parity Bonds have been issued, or to enforce the covenants and agreements of the Governing Board or the College with the owners of the Parity

Bonds and the Indenture Trustee. Nothing in this Section shall be construed to authorize any action by or on behalf of such owners which is contrary to any presently existing law, nor to require the Governing Board or the College to perform any act or to do anything which shall require the expenditure in any manner or for any purpose of any funds by the College other than the Pledged Revenues.

Section 22. Amendment of Resolution.

A. Limitations Upon Amendments. The Bond Resolution may be amended without the consent of the owners of Bonds or the Indenture Trustee to cure any ambiguity, to cure, correct or supplement any defect or inconsistent provision contained herein or to cause or continue to cause interest on the Bonds to be excluded from gross income for federal income tax purposes. Except as provided above, the Bond Resolution may only be amended or supplemented by resolutions adopted by the Governing Board in accordance with the laws of the State, and with the consent of the owners of a majority in aggregate principal amount of the Bonds then outstanding (not including in any case any Bonds which may then be held or owned for the account of the College, but including such refunding bonds as may be issued for the purpose of refunding any of the Bonds if such refunding bonds are not owned by the College); provided, however, that no such resolutions shall have the effect of permitting:

- (i) An extension of the maturity of any Bond; or
- (ii) A reduction in the principal amount of any Bond, the rate of interest thereon, or the redemption premium payable thereon; or
- (iii) The creation of a lien upon or a pledge of Pledged Revenues ranking prior to the lien or pledge created by the Bond Resolution; or
- (iv) A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental resolution; or
- (v) The establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Resolution; or
- (vi) The modification of, or otherwise affecting, the rights of the owners of less than all of the Bonds then outstanding (other than as originally permitted hereby); or
- (vii) The modification of the terms of payment of principal of or interest on the Bonds or the imposition of any conditions with respect to such payment.

B. Notice of Amendment. Notice of a proposed amendment requiring the consent of the owners of Bonds shall be mailed to the owners of the Bonds then Outstanding at their addresses as the same last appear in the registration books kept by the Paying Agent/Registrar and to the Indenture Trustee at its address as the same appears in Section 36 of this Bond Resolution. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies of the resolution pertaining to such amendment are on file at the office of the Paying Agent/Registrar for inspection by all owners of Bonds. If within sixty (60) days,

or such longer period as shall be prescribed by the Governing Board following the giving of such notice, the owners of a majority in aggregate principal amount of the Bonds Outstanding shall have consented to and approved the amendment as herein provided, the amendment shall become effective and no owner of any Bond shall have any right to object to such amendment, or the operation thereof.

C. Proof of Instruments. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 23. Defeasance. When all principal, interest and prior redemption premiums, if any, in connection with Bonds of a series have been duly paid, the pledge and lien therefor on the Pledged Revenues and all obligations of the College hereunder shall thereby be discharged and the Bonds of such series shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such payment when the College has caused to be placed in escrow and in trust with a commercial bank or trust company which is a member of the Federal Deposit Insurance Corporation and exercising trust powers, an amount sufficient (including the known minimum yield from Government Obligations or Tax-Exempt Obligations, defined below, in which such amounts are initially invested) to meet all requirements of principal, interest and prior redemption premium, if any, on the Bonds as the same become due to their final maturities or upon designated prior redemption dates. The Government Obligations or Tax-Exempt Obligations shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the College and such bank or trust company at the time of the creation of the escrow, or the Government Obligations or Tax-Exempt Obligations shall be subject to redemption at the option of the holders or owners thereof to assure such availability as needed to meet such schedule. Tax-Exempt Obligations within the meaning of this Section are those obligations exempt from federal income tax having a rating within the highest rating category assigned to such obligations by Moody's Investors Service or Standard & Poor's Ratings Services to the extent then allowed by the laws of the State to be purchased by the College for the purpose of paying the Bonds. If any Bond is to be redeemed prior to maturity, notice of redemption shall have been given or arrangements satisfactory to the Paying Agent/Registrar shall have been made for the giving of such notice.

Section 24. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent/Registrar for the benefit of the owners thereof, and in the case of Bonds to be redeemed, if notice of redemption has been given as provided in the Bond Resolution or other applicable resolution, all liability of the College to such owners for the payment of such Bonds shall be completely discharged, such Bonds shall be deemed to be not Outstanding and it shall be the duty of the Paying Agent/Registrar to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds for a period of four (4) years, after which time such moneys shall be

returned to the College for use in any lawful manner, provided that the College shall pay the principal of such Bonds to the owners thereof if such Bonds are thereafter presented for payment.

Section 25. Delegated Powers. The officers of the College are authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Resolution, including, without limiting the generality of the foregoing, the publication of the Notice of Adoption of Resolution set out in Section 35 below (with or without such changes, additions and deletions not inconsistent herewith as they may determine are necessary), the distribution of material relating to the Bonds, the printing of the Bonds, the execution of the Bond Purchase Agreement, the Tax Compliance Certificate, the General and No-Litigation Certificate, and such additional certificates and documents as may be required by the Purchaser.

Section 26. Bond Resolution Irrepealable. Except with respect to amendments as provided in Section 22 above, after any of the Bonds are issued, the Bond Resolution shall be and remain irrepealable until the Bonds and the interest and Administrative Fees thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 27. Approval of Bonds. Prior to the delivery of the Bonds, an officer or representative of the Governing Board or the College shall give written notice of the intention of the Governing Board to issue the Bonds to the New Mexico Higher Education Department and the New Mexico State Board of Finance, together with a copy of this Bond Resolution and any supplemental showings or materials which may be required by the New Mexico Higher Education Department or the New Mexico State Board of Finance, and none of the Bonds shall be delivered until the New Mexico Higher Education Department, the New Mexico State Board of Finance and any other appropriate governmental authority shall have issued such approvals with respect to the issuance of the Bonds as are required by law.

Section 28. Severability. If any one or more provisions of the Bond Resolution or the application thereof to any set of circumstances or the pledge of any one or more sources of revenue hereunder shall ever be held by final decision of a court of competent jurisdiction to be invalid or ineffective for any reason, such holding shall not affect the validity and enforceability of the remaining provisions and pledges of the Bond Resolution or the application of such remaining provisions to other circumstances.

Section 29. Repealer Clause. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

Section 30. Damaged, Mutilated, Lost, Stolen, or Destroyed Bonds.

A. Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same series, principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.



B. Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the College and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the College and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

C. No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the College may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

D. Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the College whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

E. Authority for Issuing Replacement Bonds. This Section of this Bond Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the Governing Board or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 8 of this Bond Resolution for Bonds issued in transfer or exchange for other Bonds.

Section 31. Custody, Approval, and Registration of Bonds; Bond Counsel's Opinion, and CUSIP Numbers. The Chairman of the Governing Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers (if any) may, at the option of the College, be printed on the Bonds issued and delivered under this Bond Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

Section 32. Covenants Regarding Tax Exemption. The College covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that (a) the Bonds will not (i) constitute private

activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Code or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code. The Chairman and other officers of the College having responsibility for the issuance of the Bonds shall give an appropriate certificate of the College, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the College regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The College further covenants that (a) it will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or permit to be taken any actions which would adversely affect that exclusion, and (c) it or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) if required, make timely and adequate rebate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chairman and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, if any, as may be required or appropriate to assure such exclusion of that interest.

It is the understanding of the College 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 ruling are hereafter promulgated which modify, or expand provisions of the Code, as applicable to the Bonds, the College 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 which impose additional requirements which are applicable to the Bonds, the College 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.

The College hereby certifies and warrants, for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code, the requirement to rebate arbitrage earnings from investments of the proceeds of the Bonds (the "Rebate Exemption"), that (i) the Bonds are issued by the College which has general taxing powers, (ii) neither the Bonds nor any portion thereof is a private activity bond as defined in Section 141 of the Code ("Private Activity Bond"), (iii) all of the net proceeds of the Bonds are to be used for local government activities of the College (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the College) and (iv) neither the College nor any aggregated issuer has issued or is reasonably expected to issue any Tax-Exempt Bonds other than (A) Private Activity Bonds (as those terms are used in section 148(f)(4)(D) of the Code) and (B) issued to refund (other than to advance refund (as used in the Code)) any bond to the extent that amount of the refunding bond does not exceed the

outstanding amount of the refunded bond, during calendar year 2007, which would in the aggregate amount exceed \$5,000,000. For purposes of this paragraph, "aggregated issuer" means any entity which (a) issues obligations on behalf of the College, (b) derives its issuing authority from the College, or (c) is subject to direct or indirect control by the College within the meaning of Treasury Regulation Section 1.150-1(e). The College hereby represent that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D) of the Code.

The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the College hereby covenants that the College, it having no "subordinate entities" with authority to issue obligations within the meaning of that Section of the Code, in or during the calendar year in which the Bonds are issued, (i) will not designate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, tax-exempt obligations, including the Bonds, in an aggregate principal amount in excess of \$10,000,000, and (ii) will not issue tax-exempt obligations within the meaning of Section 265(b)(4) of the Code, including the Bonds and any qualified 501(c)(3) bonds as defined in Section 145 of the Code (but excluding obligations, other than qualified 501(c)(3) bonds, that are private activity bonds as defined in Section 141 of the Code), in an aggregate principal amount exceeding \$10,000,000, unless the College receives an opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not cause the Bonds to cease to be "qualified tax-exempt obligations."

Section 33. Further Procedures. The Chairman of the Governing Board, the Vice Chairman of the Governing Board, the Secretary of the Governing Board, the Vice President for Finance of the College, and all other officers, employees, and agents of the College, 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 College all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Bond Resolution and the Bonds.

Section 34. Parties Interested Herein. Nothing in the Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to any person or entity, other than the College, the Paying Agent/Registrar, the registered owners of the Bonds and the Indenture Trustee, any right, remedy or claim under or by reason of the Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Bond Resolution contained by and on behalf of the College shall be for the sole and exclusive benefit of the College, the Paying Agent/Registrar, the registered owners of the Bonds and the Indenture Trustee.

Section 35. Notice of Adoption of Resolution. In accordance with the provisions of Section 6-14-6, NMSA 1978, the Secretary of the Governing Board shall cause the following "Notice of Adoption of Resolution" to be published once in a newspaper of general circulation in the Hobbs, New Mexico, and cause a copy of the Bond Resolution to be kept on file in the office of Vice President for Finance of the College for public examination during regular business hours until at least thirty (30) days from and after the date of publication thereof. The "Notice of Adoption of Resolution" shall be in substantially the following form:

[Form of Notice]

THE BOARD OF TRUSTEES OF  
NEW MEXICO JUNIOR COLLEGE  
NOTICE OF ADOPTION OF RESOLUTION

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 6-14-6, NMSA 1978, that on April 30, 2007, the Board OF Trustees of New Mexico Junior College (the "Governing Board") adopted a resolution (the "Resolution") authorizing the issuance of \$4,570,909.00 System Revenue Bonds, Series 2007 (the "Bonds"), and the sale of such bonds to the New Mexico Finance Authority on the terms and conditions set forth in the Resolution, providing for the payment of principal of and interest on the Bonds and entering into certain covenants and agreements in that connection. A copy of the Resolution is on file in the office of the Vice President for Finance of New Mexico Junior College, 5317 Lovington Highway, Hobbs, New Mexico, where it may be examined during regular business hours of the College from 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

The title of the Resolution is as follows:

RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NEW MEXICO JUNIOR COLLEGE SYSTEM REVENUE BONDS, SERIES 2007, IN AN ORIGINAL AGGREGATE AMOUNT OF \$4,570,909.00 FOR THE PURPOSE OF PROVIDING FUNDS FOR PURCHASING, ERECTING, ALTERING, IMPROVING, REPAIRING, FURNISHING AND EQUIPPING BUILDINGS, STRUCTURES AND FACILITIES FOR THE USE OF NEW MEXICO JUNIOR COLLEGE; PROVIDING FOR THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, FORM, TERMS AND CONDITIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY PURSUANT TO A BOND PURCHASE AGREEMENT, SUBJECT TO THE APPROVAL OF THE NEW MEXICO HIGHER EDUCATION DEPARTMENT AND THE NEW MEXICO STATE BOARD OF FINANCE; ENTERING INTO CERTAIN COVENANTS AND OTHER AGREEMENTS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

A summary of the subject matter of the Resolution is contained in its title. This Notice constitutes compliance with Section 6-14-6, NMSA 1978.

DATED: \_\_\_\_\_, 2007

[End of Form of Notice]

Section 36. Notices to Purchaser and Indenture Trustee. Any notice required to be provided to the Purchaser or the Indenture Trustee pursuant to this Bond Resolution shall be provided at the following addresses:

If to the Purchaser:

New Mexico Finance Authority  
207 Shelby Street  
Santa Fe, New Mexico 87501  
Attention: Executive Director

If to the Indenture Trustee:

Bank of Albuquerque, N.A.  
Corporate Trust Division  
201 Third Street N.W.  
Suite 1400  
Albuquerque, New Mexico 87102  
Attention: Vice President, Corporate Trust

Section 37. Effective Date. The Bond Resolution shall take effect on the date adopted and approved as set forth below.

[Remainder of page intentionally left blank]

ADOPTED AND APPROVED ON April 30, 2007.

BOARD OF TRUSTEES OF  
NEW MEXICO JUNIOR COLLEGE

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

By \_\_\_\_\_  
Secretary

[SIGNATURE PAGE FOR AUTHORIZING RESOLUTION]

Governing Board Member \_\_\_\_\_ moved for approval, with Governing Board Member \_\_\_\_\_ seconding the motion. The motion to adopt the resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

\_\_\_\_\_ ( ) Members having voted in favor of said motion, the Chairman declared said motion carried and said resolution adopted, whereupon the Chairman and the Secretary signed the resolution upon the records of the minutes of the Board of Trustees.

After consideration of the matters not relating to the resolution, the meeting on motion duly made, seconded and unanimously carried, was adjourned.

BOARD OF TRUSTEES OF  
NEW MEXICO JUNIOR COLLEGE

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

By \_\_\_\_\_  
Secretary

[SIGNATURE PAGE FOR AUTHORIZING RESOLUTION]



STATE OF NEW MEXICO                    )  
COUNTY OF LEA                         ) ss.  
NEW MEXICO JUNIOR COLLEGE         )

I, Pat Chappelle, Secretary of the Board of Trustees of New Mexico Junior College, do hereby certify the foregoing is a true, full and correct copy of the record of a Resolution adopted by the Board of Trustees at a [special] meeting held on the 30 day of April, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Board of Trustees of New Mexico Junior College this 30 day of April, 2007.

BOARD OF TRUSTEES OF  
NEW MEXICO JUNIOR COLLEGE

By \_\_\_\_\_  
Secretary

[SEAL]

[SIGNATURE PAGE FOR BOND RESOLUTION]

**EXHIBIT A**  
**DEBT SERVICE SCHEDULE**

**Series 2007 Bonds**

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<b>Semi-Annual Admin. Fee at 0.25%</b>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
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\* \$ \_\_\_\_\_ administrative fee less \$ \_\_\_\_ rounding.