

**Board of Education**

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Mr. Jim Nesbitt—Vice-President  
Mr. Zeke Greer—Secretary  
Dr. Joseph Fraley—Member  
Mr. Weston Hacker—Member



J. Vance Lee Superintendent  
Capitan Municipal Schools  
519 Smokey Bear Blvd. Capitan, NM 88316  
575-354-8500  
[www.capitantigers.org](http://www.capitantigers.org)

## CAPITAN MUNICIPAL SCHOOLS BOARD OF EDUCATION

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### *AGENDA ITEM EXECUTIVE SUMMARY*

1. Board Meeting Date: November 17, 2025
2. Item Title: V.B.2 Approval of a Resolution Determining the Necessity for Lease-Purchase of Educational Technology Equipment
3. Name of Presenter: V. Lee, Superintendent
4. This item is for: XX Action \_\_\_ Consent Agenda \_\_\_\_ Discussion \_\_\_ Report/Information
5. Proposed Motion (Action Items Only): I move that we approve the Resolution Determining the Necessity for the Lease-Purchase of Education Technology Equipment, as presented.
6. Executive Summary: Please see attached.

# Capitan Municipal School District

## Finance Plan Update

November 17, 2025

**STRICTLY PRIVATE AND CONFIDENTIAL**



**CAPITAN**  
Municipal Schools



Capital  
Markets

## History of Assessed Valuation

Tax Year	Residential	%Growth	Non-Residential	% Growth	Total Valuation	% Growth
2021	\$376,915,338	1.30%	\$102,534,708	19.48%	\$479,450,046	4.71%
2022	394,439,513	4.65%	108,819,105	6.13%	503,258,618	4.97%
2023	424,059,275	7.51%	109,216,445	0.37%	533,275,720	5.96%
2024	451,357,594	6.44%	117,888,444	7.94%	569,246,038	6.75%
2025*	440,985,933	-2.30%	115,289,283	-2.20%	556,275,216	-2.28%

5 Year Average Annual Growth 3.97%

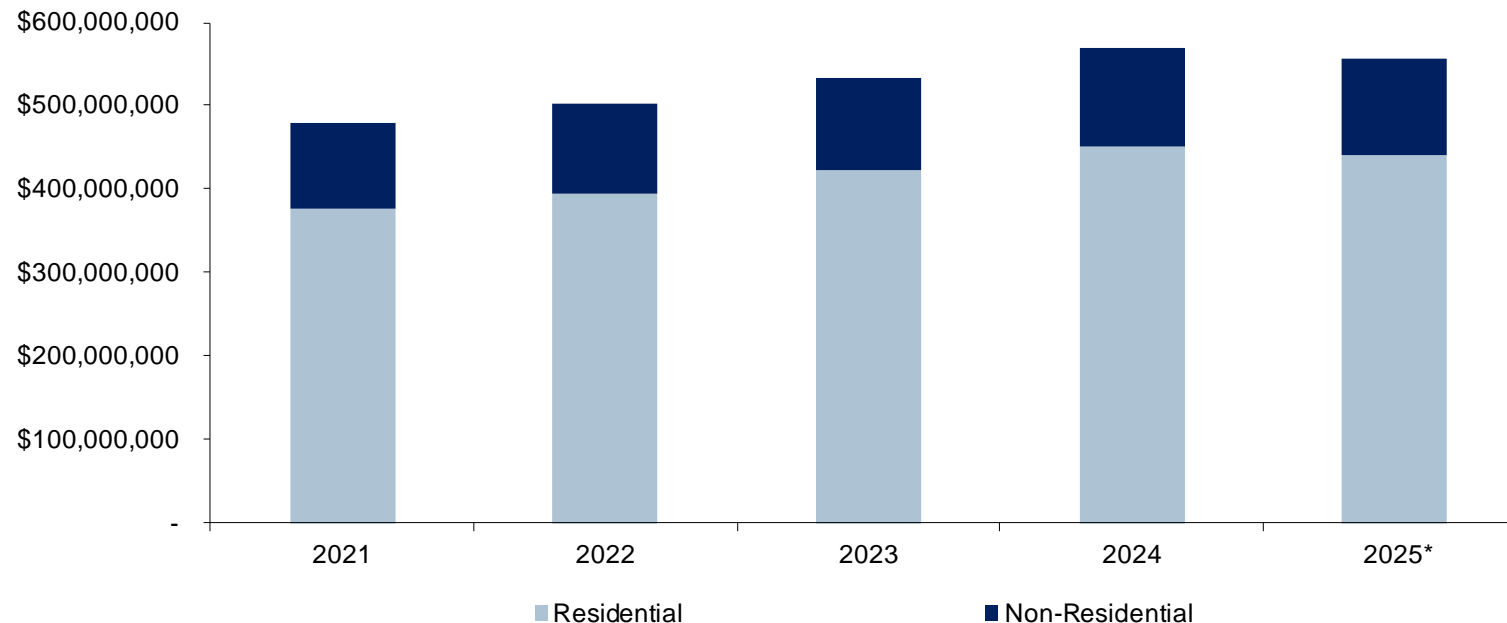
10 Year Average Annual Growth 3.39%

Source: New Mexico Department of Finance & Administration

\* Preliminary. Does not include protested property. Subject to change

### BONDING CAPACITY

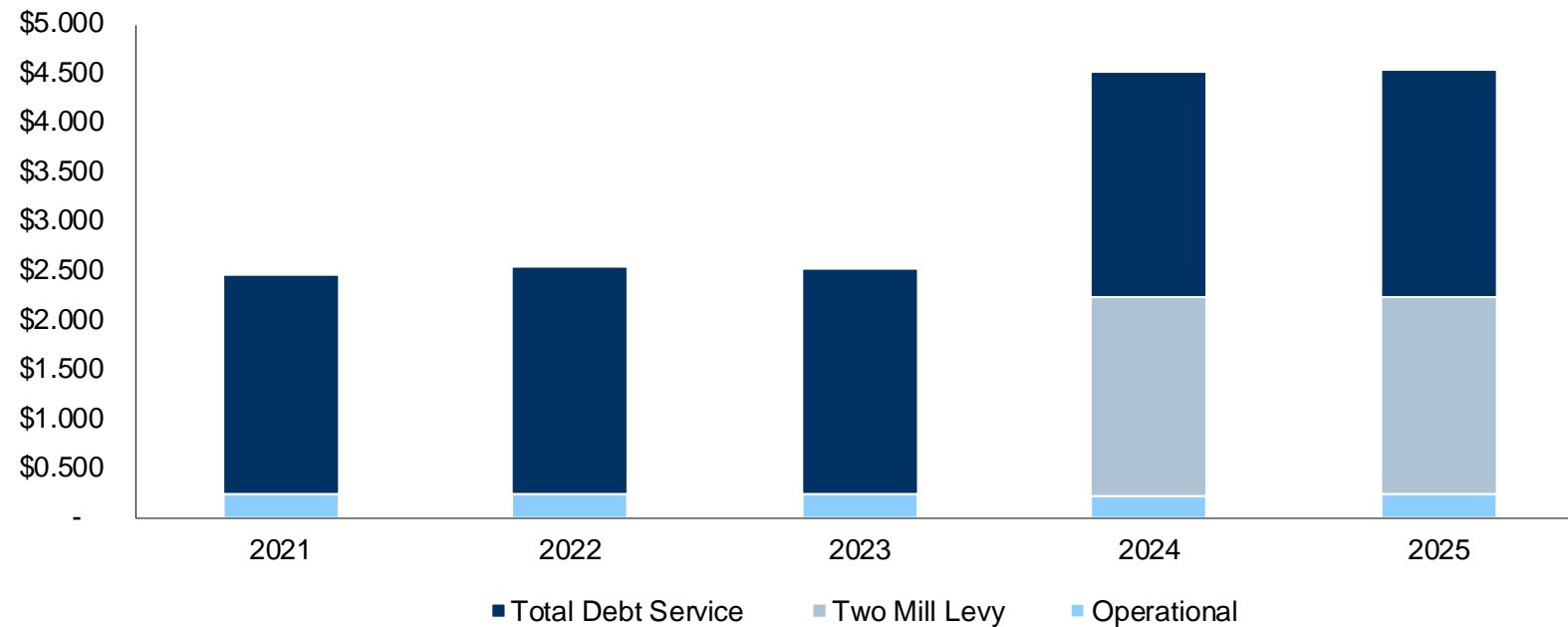
2025 Preliminary Assessed Valuation	\$556,275,216
Bonding Capacity (6% of Assessed Valuation)	33,376,513
Total Debt Outstanding	1,910,000
<b>Available Debt Capacity</b>	<b>\$31,466,513</b>
<b>% Bonded to Capacity</b>	<b>5.72%</b>



## History of Tax Rates

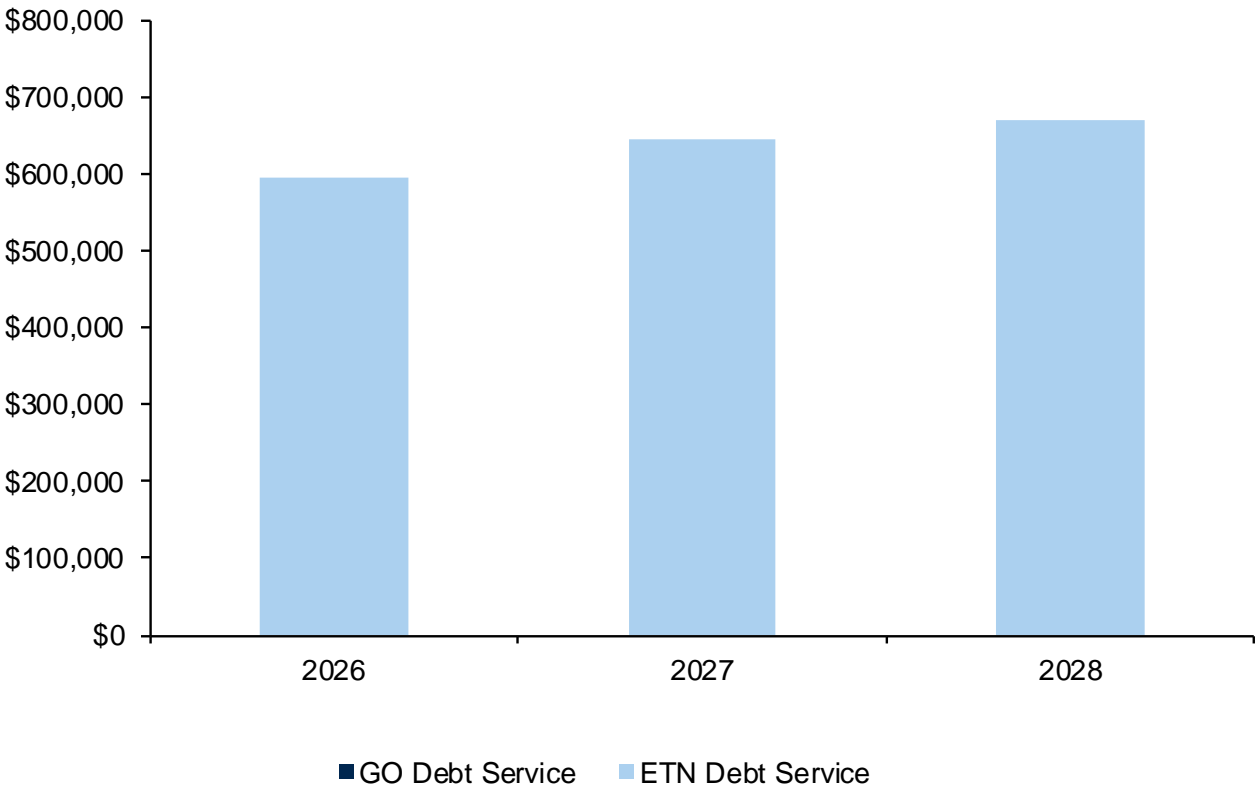
Tax Year	Operational		Two Mill Levy		GO Debt Service			Total	
	Resid.	Non-Resid.	Resid.	Non-Resid.	GO Bonds	ETN	Total	Resid.	Non-Resid.
2021	\$0.238	\$0.351	-	-	\$1.144	\$1.083	\$2.227	\$2.465	\$2.578
2022	0.237	0.404	-	-	0.998	1.299	2.297	2.534	2.701
2023	0.232	0.391	-	-	1.042	1.254	2.296	2.528	2.687
2024	0.226	0.368	2.000	2.000	0.888	1.409	2.297	4.523	4.665
2025	0.240	0.390	2.000	2.000	-	2.296	2.296	4.536	4.686

Source: New Mexico Department of Finance & Administration.



# Current Outstanding Debt

	Bond Type	Security	Original Par	Amount Outstanding	Coupons	Final Maturity
Series 2024	Private	ETN	\$3,100,000	\$1,910,000	2.28% - 2.50%	2028
Total			\$3,100,000	\$1,910,000		



## Debt Management Plan

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- **Election Timing and Issuances**

- Voters approved an SB-9 (two mill levy) in the 2023 election with authorization from TY24 through TY29
- Next SB-9 election is scheduled for November 2029
- Based upon the current fund balance and projected property tax collections, the District could issue a short term ETN in the amount of \$935,000
  - ETN would be fully paid off on August 1, 2026
- Successful GO Bond election in November 2025 for \$7,000,000 to be issued in the following installments or as directed by the District.
  - \$3,000,000 to be issued in late summer 2026, or as directed by the District
  - \$4,000,000 to be issued in 2028, or as directed by the District
- Next GO Bond election is scheduled for November 2029
  - Growth in the District's tax base will determine the bond election size

- **Tax Rate**

- For TY2025, the District's ETN debt service rate was set at \$2.296
- As ETNs are paid off the tax rate will shift to GO Bonds but will continue to maintain a combined rate of \$2.296 mils, which has been the District's historical combined tax rate

Calendar Year	Tax Year	ETN Rate <sup>(1)</sup>	GO Rate <sup>(1)</sup>	Total Debt Service Tax Rate
2026	2025	\$2.296	-	\$2.296
2027	2026	1.241	1.055	2.296
2028	2027	1.222	1.074	2.296
2029	2028	-	2.296	2.296
2030	2029	-	2.296	2.296

*(1) Subject to change depending on fluctuations in tax base and tax collections. The Debt Service rates are set by the Public Education Department and approved by the New Mexico Department of Finance & Administration*

## Education Technology Note Time Schedule

Date	Activity	Responsibility
<b>Monday, November 17, 2025</b>	Board adopts Resolution to determine necessity to enter into Lease-Purchase Arrangement and notice of a public hearing	SD, MA, BC
<i>Monday, November 24, 2025</i>	1st publication of Notice of Special Meeting for Lease-Purchase Certificates of Participation	BC
<i>Monday, December 01, 2025</i>	2nd publication of Notice of Special Meeting for Lease-Purchase Certificates of Participation	BC
Monday, December 08, 2025	Interest rate set with NMSTO	MA, STO
<b>Monday, December 15, 2025</b>	Special Board meeting to adopt final ETN Resolution at 4:30 PM	SD, MA, BC
Tuesday, December 16, 2025	Publish Notice of Adoption of Resolution	BC
<b>Saturday, January 17, 2026</b>	30 day limitation of action period expires	SD, MA, BC, STO
<b>Tuesday, January 20, 2026</b>	Closing of ETNs	SD, MA, BC, STO

Working Group Key		
Code	Participant	Role
SD	Capitan School District	Issuer
MA	RBC Capital Markets, LLC	Municipal Advisor
BC	Cuddy & McCarthy	Bond Counsel
STO	State Treasurer's Office	Purchaser

# Appendix



Capital  
Markets

## Constitutional Amendment Update

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- Constitutional Amendment 1 widened the property exemption for disabled veterans from 100% disabled veterans to all disabled veterans
  - Allows any disabled veteran to be exempt from their property taxes at the rate they are disabled.
  - Example: A 50% disabled veteran can now qualify to be exempt from 50% of their property taxes.
- Constitutional Amendment 2 increased the property tax exemptions for all veterans (who don't qualify for the disabled veteran exemption) from \$4,000 to \$10,000.
- Difficult to determine the extent of the impact of these constitutional amendments on the District's net taxable values at this time.
  - The State Legislature recently completed the 2025 legislative session, signing House Bill 47 into law.
- Should these new veteran exemptions materially decrease the District's net taxable value, it could potentially impact tax rates and future election amounts.
  - Most recent data shows the District had 267 veteran exemptions and 45 100% disabled veteran exemptions within the District's boundaries.
  - For the tax year 2024 the total veteran and disabled veteran exemptions for Capitan Municipal Schools is \$4,223,222 or 0.74% of the District total net taxable value.

## Potential Constitutional Amendment Impact on Assessed Value

### Capitan School District - Abstract of Value

#### Tax Year 2024 - Without Consitutional Amendments

		Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran Org.	Values
District	County							
28 IN R	Lincoln	26,998,582	412,000	216,000	606,177	98,129	-	25,666,276
28 IN NR	Lincoln	8,631,395	-	-	-	1,772,229	-	6,859,166
28 Out R	Lincoln	431,041,643	1,348,598	750,827	2,560,780	876,479	-	425,504,959
28 Out NR	Lincoln	107,976,488	-	85,438	-	7,469,522	-	100,421,528
28-RU In R	Lincoln	192,359	2,000	4,000	-	-	-	186,359
28-RU In NR	Lincoln	2,342,853	-	-	-	1,217,163	-	1,125,690
TOTAL R & NR VALUES		\$ 577,183,320	\$ 1,762,598	\$ 1,056,265	\$ 3,166,957	\$ 11,433,522	-	\$ 559,763,978
Centrally Assessed		\$ 9,482,060						\$ 9,482,060
Total		\$ 586,665,380						\$ 569,246,038

### Capitan School District - Abstract of Value

#### Tax Year 2024 - With Consitutional Amendments

		Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran Org.	Values
District	County							
28 IN R	Lincoln	26,998,582	412,000	540,000	1,714,199	98,129	-	24,234,254
28 IN NR	Lincoln	8,631,395	-	-	-	1,772,229	-	6,859,166
28 Out R	Lincoln	431,041,643	1,348,598	1,877,068	7,241,590	876,479	-	419,697,908
28 Out NR	Lincoln	107,976,488	-	213,595	-	7,469,522	-	100,293,371
28-RU In R	Lincoln	192,359	2,000	10,000	-	-	-	180,359
28-RU In NR	Lincoln	2,342,853	-	-	-	1,217,163	-	1,125,690
TOTAL R & NR VALUES		\$ 577,183,320	\$ 1,762,598	\$ 2,640,663	\$ 8,955,789	\$ 11,433,522	-	\$ 552,390,749
Centrally Assessed		\$ 9,482,060						\$ 9,482,060
Total		\$ 586,665,380						\$ 561,872,809
Total Without Amendments								\$ 569,246,038
Difference								(7,373,229)
Difference (%)								-1.295%

# Market Update



Capital  
Markets

# Macroeconomic Commentary

The market continues to focus on Fed Policy regarding the potential of more interest rate cuts in the future

## Economic Commentary

- US equities declined last week, and concerns of lofty tech/AI valuations drove an underperformance of the Nasdaq
- The DJIA and S&P500 declined 1.2% and 1.6%, respectively, while the Nasdaq tumbled 3.0%
- The Senate voted 60-40 to advance a plan to end the longest government shutdown in history, but passage in the House is not guaranteed
  - Under the Senate bill, some agencies will be funded for a full year, while others will receive funding through January 30th
- NY Fed President Williams said that the December FOMC decision will be a balancing act between above-target inflation and a resilient economy
- ISM surveys revealed a sharper-than-forecast decline in manufacturing alongside stronger growth in services in October
- The ADP survey showed stronger-than-expected growth in private payrolls in October; Univ. of MI consumer sentiment came in below consensus
- Markets will continue to operate without key economic data due to the government shutdown; October CPI and PPI will not be released this week

## Bloomberg

### Stocks Rally on Bets Shutdown Endgame Is Near

(Bloomberg: November 10, 2025)

- Wall Street traders rushed to the riskiest corners of the market, with stocks climbing alongside Bitcoin as the US Senate advanced a plan to end the longest-ever government shutdown and remove a significant economic headwind
- As the bid for safety waned, Treasuries lost steam while the dollar underperformed most of its major peers

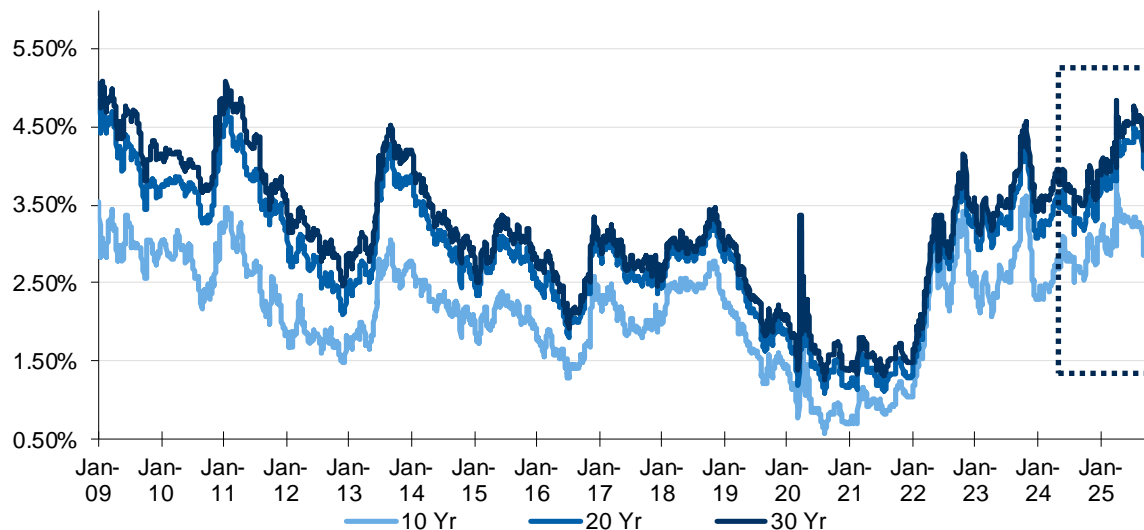
## Stock Market Performance (S&P 500)



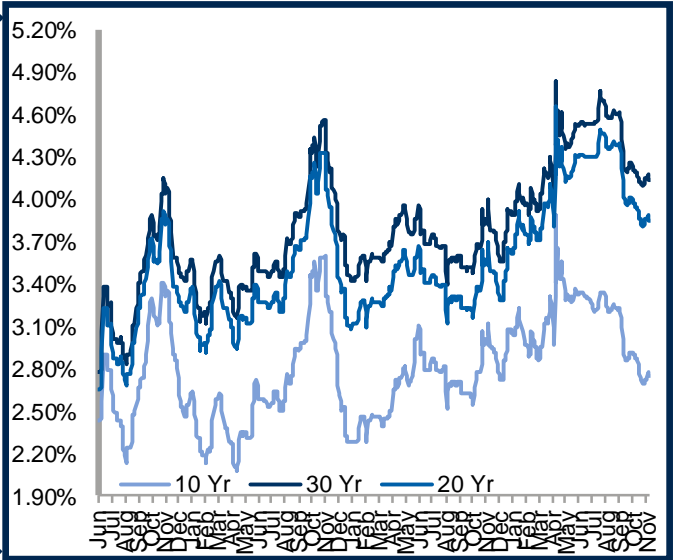
# Current Municipal Market Conditions: “AAA” MMD

After closing at 4.14% the previous week, 30-year “AAA” MMD has remained unchanged.

“AAA” MMD January 1, 2009 to Present



Shift in “AAA” MMD Since June 2022



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	2.75%	3.85%	4.14%

Shift in 30-year “AAA” MMD

2018	2019	2020	2021	2022	2023	2024
0.47%	-0.90%	-0.68%	0.09%	2.08%	-0.15%	0.47%

May 1, 2022 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.66%	4.84%
Minimum	2.08%	2.38%	2.51%
Average	2.81%	3.52%	3.75%

Source: Refinitiv  
10, 20, and 30 year “AAA” MMD shown to represent different average lives of municipal transactions  
Rates as of November 10, 2025.

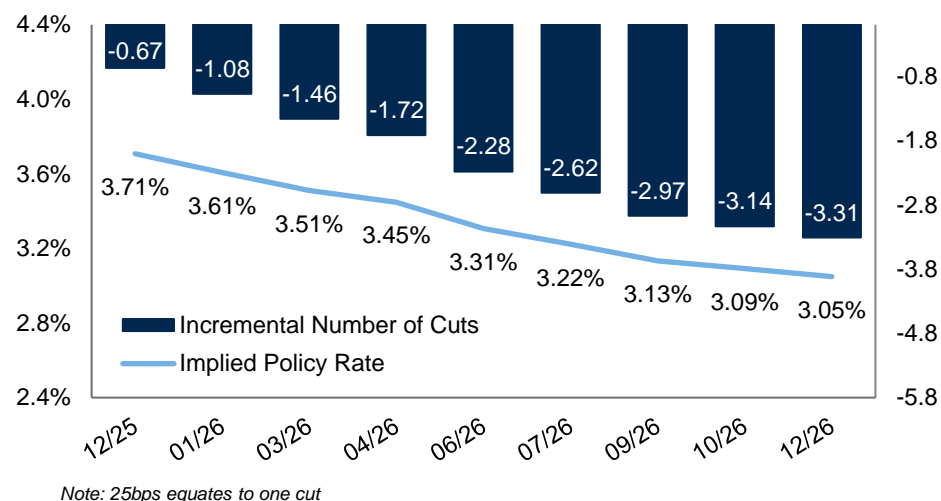
# Economic Overview Reflects Monetary Policy Focus, Tariff Implications and Geopolitical Tensions

In October, the Fed cut interest rates by a quarter point to a new range of 3.75% to 4.00%, its lowest in nearly three years

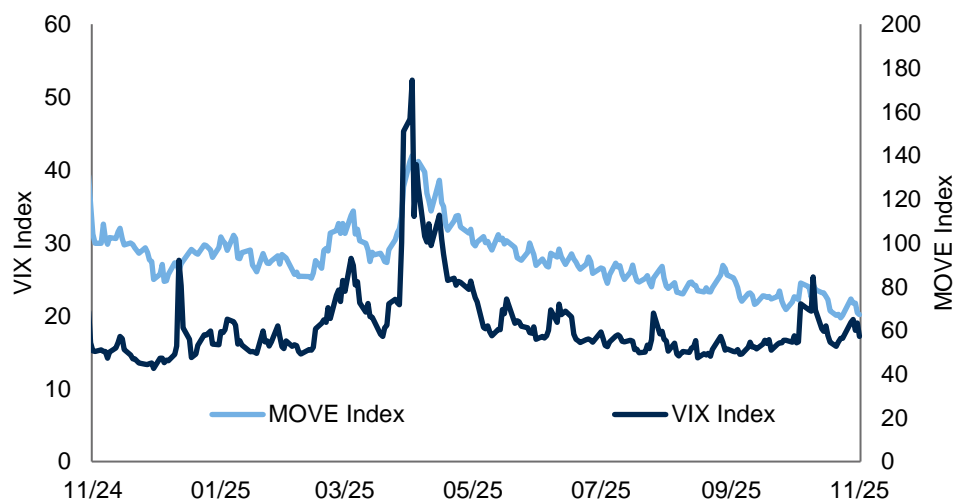
## Market Commentary – Municipal Bonds

- Municipal issuance totaled \$15.1bn last week, and the primary market fared well overall, despite a volatile tone in Treasuries
- This week's calendar is expected to total \$9.7bn, bringing YTD issuance to \$510bn, up 15% from last year
- Municipal bond funds reported \$1.27bn of inflows last week, marking six consecutive weeks of positive flows
- US IG issuance totaled \$57bn last week, bringing YTD supply to \$1.48tn; syndicate desks expect \$40bn of primary volume this week
- The SIFMA index reset at 2.68% last week, falling from 3.22% as Tax-exempt Money Market funds saw \$2.8bn of inflows

## Futures Market – Fed Funds Rate Cut Probability (Current Target Rate: 3.75% - 4.00%)



## Treasury and Equity Volatility have Moderated



## Economic Indicators

Indicator	Estimate	Actual	Prior
<b>Inflation</b>			
CPI YoY (September)	3.10%	3.00%	2.90%
PCE YoY (August)	2.70%	2.70%	2.60%
PPI YoY (August)	3.30%	2.60%	3.10%
<b>Labor</b>			
Unemployment Rate (August)	4.30%	4.30%	4.20%
Nonfarm Payrolls (August)	75K	22K	79K
Initial Jobless Claims (wkly.)	223K	223K	2182K
<b>Production</b>			
GDP QoQ (qtrly)	+3.3%	+3.8%	-0.5%

## Disclaimer

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Sources include: [https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM\\_Muni\\_Markets\\_Weekly\\_Newsletter.pdf](https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf), <http://www.rbc.com/economics/>, RBC Capital Markets.

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**CAPITAN MUNICIPAL SCHOOL DISTRICT NO. 28**  
**Lease-Purchase Certificates of Participation, Series 2025**  
***Financing Timetable***

Date	Activity	Responsibility
<b><i>Monday, November 17, 2025</i></b>	Board adopts Resolution to determine necessity to enter into Lease-Purchase Arrangement and notice of a public hearing	SD, MA, BC
<i>Monday, November 24, 2025</i>	1st publication of Notice of Special Meeting for Lease-Purchase Certificates of Participation	BC
<i>Monday, December 01, 2025</i>	2nd publication of Notice of Special Meeting for Lease-Purchase Certificates of Participation	BC
Monday, December 08, 2025	Interest rate set with NMSTO	MA, STO
<b><i>Monday, December 15, 2025</i></b>	Special Board meeting to adopt final ETN Resolution at 4:30 PM	SD, MA, BC
Tuesday, December 16, 2025	Publish Notice of Adoption of Resolution	BC
<b><i>Saturday, January 17, 2026</i></b>	30 day limitation of action period expires	SD, MA, BC, STO
<b><i>Tuesday, January 20, 2026</i></b>	Closing of ETNs	SD, MA, BC, STO

Working Group Key		
Code	Participant	Role
SD	Capitan School District	Issuer
MA	RBC Capital Markets, LLC	Municipal Advisor
BC	Cuddy & McCarthy	Bond Counsel
STO	State Treasurer's Office	Purchaser

*Note 1: School Board meets 3rd Monday of every month at 6:00pm with the exception of November.*

STATE OF NEW MEXICO       §  
  §  
COUNTY OF LINCOLN       §  
  §  
CAPITAN MUNICIPAL       §  
SCHOOL DISTRICT NO. 28   §

The Board of Education of the Capitan Municipal School District No. 28 ("Board"), County of Lincoln, State of New Mexico, met in regular session, in full conformity with law and the rules and regulations of the Board at the Board Conference Room, 519 Smokey Bear Blvd., Capitan, New Mexico on November 17, 2025, at the hour of 6:00 p.m. The duly elected officers and members of the Board were as follows:

President:	Dennis Rich
Vice President:	James Nesbitt
Secretary:	Zeke Greer
Members:	Dr. Joseph Fraley
	Wes Hacker

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following members of the Board were found to be absent:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Superintendent of Schools, J. Vance Lee, was also present.

Superintendent Lee thereupon introduced the resolution entitled as follows and recommended its adoption by the Board:

RESOLUTION DETERMINING THE NECESSITY FOR LEASE-PURCHASE  
OF EDUCATION TECHNOLOGY EQUIPMENT, ESTIMATE OF COST,  
STATEMENT OF SOURCE OF FUNDS FOR LEASE-PURCHASE PAYMENTS,  
DIRECTING DISTRICT'S MUNICIPAL ADVISOR AND CO-BOND COUNSEL TO  
PREPARE LEASE-PURCHASE AGREEMENT FOR THE DISTRICT'S ACQUISITION  
OF CERTAIN EDUCATION TECHNOLOGY EQUIPMENT AND ESTABLISHING DATE  
FOR MEETING TO CONSIDER A RESOLUTION GRANTING FINAL APPROVAL FOR  
THE LEASE-PURCHASE OF EDUCATION TECHNOLOGY EQUIPMENT

Member \_\_\_\_\_ then moved the adoption of the foregoing entitled resolution. Member \_\_\_\_\_ seconded such motion. The motion to adopt said resolution was thereupon put to a vote and was passed and adopted on the following recorded vote:

Those Voting Aye:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those Abstaining:

\_\_\_\_\_  
\_\_\_\_\_

There being no other matters for consideration, the meeting was adjourned.

Dated at Capitan, New Mexico, this 17<sup>th</sup> day of November 2025.

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President, Board of Education  
Capitan Municipal School District No. 28

[Seal]

Attest:

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Secretary, Board of Education  
Capitan Municipal School District No. 28

RESOLUTION DETERMINING THE NECESSITY FOR LEASE-PURCHASE  
OF EDUCATION TECHNOLOGY EQUIPMENT, ESTIMATE OF COST,  
STATEMENT OF SOURCE OF FUNDS FOR LEASE-PURCHASE PAYMENTS,  
DIRECTING DISTRICT'S MUNICIPAL ADVISOR AND CO-BOND COUNSEL TO  
PREPARE LEASE-PURCHASE AGREEMENT FOR THE DISTRICT'S ACQUISITION  
OF CERTAIN EDUCATION TECHNOLOGY EQUIPMENT AND ESTABLISHING DATE  
FOR MEETING TO CONSIDER A RESOLUTION GRANTING FINAL APPROVAL FOR  
THE LEASE-PURCHASE OF EDUCATION TECHNOLOGY EQUIPMENT

**WHEREAS**, on November 17, 2025, the Board of Education of the Capitan Municipal School District No. 28 ("Board" and "District", respectively), Lincoln County, New Mexico, has determined it is in the best interest of the District to acquire education technology equipment by entering into a lease-purchase arrangement under the Education Technology Equipment Act, NMSA 1978, §§ 6-15A-1 to 6-15A-17 ("Act"); and

**WHEREAS**, the Board has been provided adequate information regarding the necessity to enter into a lease-purchase arrangement, pursuant to the Act, to lease-purchase \$935,000 of certain education technology equipment and to pay the costs related to the financing of such lease-purchase arrangement; and

**WHEREAS**, the Board desires to have its Municipal Advisor, RBC Capital Markets, LLC, and Co-Bond Counsel, Cuddy & McCarthy, LLP and McCall, Parkhurst & Horton, L.L.P., draft and assemble the necessary documentation, including a Lease-Purchase Agreement relating to the proposed lease-purchase arrangement to allow the District to receive the education technology equipment as soon as possible; and

**WHEREAS**, before initiating any proceedings for the final approval of a lease-purchase arrangement, the District is required to give notice to the School Budget Planning and Finance Analysis Bureau of the New Mexico Public Education Department, pursuant to § 6-15A-4 of the Act, of the proposed Lease-Purchase Agreement; and

**WHEREAS**, the Board desires to authorize the appropriate officers, employees and agents of the District and the District's Municipal Advisor and Co-Bond Counsel to take any action necessary to enable the District to enter into the lease-purchase arrangement at a special meeting on December 15, 2025.

THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE  
CAPITAN MUNICIPAL SCHOOL DISTRICT NO. 28 THAT:

**Section 1.** The Board has determined and does determine that there is a necessity to enter into a lease-purchase arrangement for the lease-purchase of education technology equipment at an estimated cost of \$935,000 as authorized pursuant to the Act.

**Section 2.** The District's staff, Municipal Advisor and Co-Bond Counsel are hereby authorized and directed to take all action necessary so that the action of the Board relating to the Lease-Purchase Agreement may be considered by the Board at a special meeting on December 15, 2025.

**Section 3.** It is the present intention of the Board that the lease-purchase arrangement contemplated hereby be general obligation lease-purchase certificates of participation privately placed with the New Mexico State Treasurer, and be structured pursuant to the recommendations of the District's Municipal Advisor. The Municipal Advisor's preliminary structure is attached hereto as Exhibit A.

**Section 4.** A summary of the Lease-Purchase Agreement to be utilized in the lease-purchase arrangement and reviewed by the Board is attached as Exhibit B.

**Section 5.** The Board determines that all or part of the funds needed for payment of the lease-purchase arrangement will not require the imposition of a property tax as lawfully available funds in the District's Education Technology Debt Service Fund are available to pay the lease-purchase arrangement immediately upon issuance.

**Section 6.** A special meeting to consider final approval of the lease-purchase arrangement is called and set for December 15, 2025, being not more than four weeks and not less than three weeks from the date of the adoption of this Resolution.

**Section 7.** Notice of the special meeting on December 15, 2025, will be published once each week for the two weeks immediately preceding December 15, 2025, in a newspaper having general circulation in the District ("Notice"). The Notice will include the information required by § 6-15A-8B(1)-(6) of the Act.

**Section 8.** The President of the Board and the Superintendent of the District are hereby authorized to make any filings, notices, applications or take any other action necessary, including notice to the School Budget Planning Bureau of the New Mexico Public Education Department and the approval of any official statement related to any general obligation lease-purchase certificates of participation, if necessary.

**Section 9.** All recitals and findings contained in the preamble hereof are found to be true and correct and are made a part of this Resolution.

**Section 10.** This Resolution shall take effect on the date adopted and approved as set forth below.

Adopted and approved on this 17<sup>th</sup> day of November 2025.

(SEAL)

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President, Board of Education,  
Capitan Municipal School District No. 28

Attest:

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Secretary, Board of Education,  
Capitan Municipal School District No. 28

STATE OF NEW MEXICO

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COUNTY OF LINCOLN

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CAPITAN MUNICIPAL

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SCHOOL DISTRICT NO. 28

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SECRETARY'S CERTIFICATE

I hereby certify that I am the duly appointed Secretary of the Board of Education of the Capitan Municipal School District No. 28 ("Board"), and that the foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board, constituting the governing body of the Capitan Municipal School District No. 28 ("District"), had and taken at a regular meeting of the Board held at the Board Conference Room, 519 Smokey Bear Blvd., Capitan, New Mexico, on the 17<sup>th</sup> day of November 2025, at the hour of 6:00 p.m., insofar as they concern the adoption of a resolution determining the necessity for lease-purchase education technology equipment, a copy of which being therein set forth, as recorded in the book of official records of the proceedings of the District kept in the office of the Superintendent of Schools, and that said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein named were present at said meeting as therein shown.

WITNESS my hand and seal of the District affixed this 17<sup>th</sup> day of November 2025.

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Secretary, Board of Education

[SEAL]

## EXHIBIT A

### Expected Structure of the Lease-Purchase Agreement

<b>Dated date:</b>	January 20, 2026.
<b>Award:</b>	Special board meeting on December 15, 2025, at 4:30 p.m.
<b>Interest Component Rent Payment:</b>	January 21, 2026, on the Principal Component amount of \$935,000. Funds have been accumulated in the District's Education Technology Debt Service Fund to make this payment.
<b>Principal Component Rent Payment:</b>	On January 21, 2026, in the amount of \$935,000. Funds have accumulated in the District's Debt Service Fund to make this payment.
<b>Prepayment:</b>	Rent Payment under this Lease-Purchase Agreement may not be prepaid.
<b>Closing:</b>	Closing is expected to occur on January 20, 2025, at 9:30 a.m.

## EXHIBIT B

### Summary of Lease-Purchase Agreement

1. The Lease-Purchase Agreement amount shall be \$935,000 payable at closing for the lease-purchase of education technology equipment. The lease-purchase payment ("Rent Payment") constituting the principal component thereof shall be on January 21st in each of the following years and in no event shall the term of the Lease-Purchase Agreement exceed five years:

\$935,000	2026
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2. The interest component of Rent Payment shall be paid at a rate not to exceed 8% on January 21, 2026.

3. The source of funds for the Rent Payment shall be derived from an annual levy of ad valorem taxes sufficient to meet the payments of principal and interest due, provided that the District may apply any other funds that may be in its general fund or investment income actually received from investments and available for that purpose to the payments due or any prepayment premium payable in connection with such lease purchase arrangements as the same become due; and upon such payments the levy or levies provided for may thereupon to that extent be reduced.

4. The District covenants that the lease-purchase arrangement shall at all times be free from taxation by the State, except for estate or gift taxes and taxes on transfers.

5. The proposed Lease-Purchase Agreement also provides that the District will maintain possession and title to the education technology equipment during the term of said Agreement and the Lessor under said Agreement does not retain a perfected security interest in any equipment.

6. The Lease-Purchase Agreement provides for maintenance of the equipment, insurance, the payment of taxes, if any, remedies in the event of default, and in the event of damage, destruction or condemnation of the education technology equipment, for payment of related costs in the acquisition of the education technology equipment and the funding of the lease-purchase agreement, and contains other provisions relating to notice, choice of law and administration of the Lease-Purchase Agreement required by the Lessor.

NOTICE OF INTENT TO ENTER INTO  
EDUCATION TECHNOLOGY LEASE-PURCHASE ARRANGEMENT

November 17, 2025

SCHOOL FINANCE DIVISION  
NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
STATE EDUCATION BUILDING  
SANTA FE, NEW MEXICO 87501-2786

The undersigned Board of Education of the Capitan Municipal School District No. 28, in the County of Lincoln, State of New Mexico, contemplates entering into a Lease-Purchase Agreement for the purchase of education technology equipment for the total sum of not exceeding \$935,000 for the purpose of purchasing education technology equipment that is defined as tools used in the educational process that constitute learning and administrative resources and may include closed-circuit television systems; educational television and radio broadcasting; cable television, satellite, copper and fiber-optic transmission; computer network connection devices; digital communications equipment (voice, video and data); servers; switches; portable media such as discs and drives to contain data for electronic storage and playback; and purchase or lease of software licenses or other technologies and services, maintenance, equipment and computer infrastructure information, techniques and tools used to implement technology in schools and related facilities; improvements, alterations and modifications to, or expansions of, existing buildings, including teacher housing, or personal property necessary or advisable to house or otherwise accommodate any of the tools listed herein; and expenditures for technical support and training expenses of school district employees who administer education technology projects funded by a lease-purchase arrangement and may include training by contractors.

This notice is given pursuant to the provisions of NMSA 1978, § 6-15A-4.

You are requested to furnish the undersigned with all necessary information with reference to the valuation, present outstanding bonded indebtedness, limitations as to tax rate and debt contracting power, and such other information as may be useful to the undersigned Board of Education in the consideration of the proposal to issue an Education Technology Lease-Purchase obligation.

[SEAL]

BOARD OF EDUCATION OF THE  
CAPITAL MUNICIPAL SCHOOL DISTRICT NO. 28  
LINCOLN COUNTY, NEW MEXICO

By: \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_

Secretary