

## OFFICIAL NOTICE OF BOND SALE

**RUIDOSO MUNICIPAL SCHOOL DISTRICT NO. 3  
COUNTY OF LINCOLN, NEW MEXICO  
\$2,700,000  
GENERAL OBLIGATION SCHOOL BUILDING BONDS,  
SERIES 2018**

PUBLIC NOTICE IS HEREBY GIVEN that the Ruidoso Municipal School District No. 3 ("District"), Lincoln County, New Mexico, will, until the hour of 10:00 a.m., local time on August 2, 2018, or such other date and time as indicated below (the "Rescheduled Bid Date" and "Rescheduled Deadline," respectively, and together with the Original Bid Date and the Original Deadline, the "Bid Date" and "Deadline," respectively), receive bids at RBC Capital Markets, LLC, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico, or at such other place to be designated as provided below, for the purchase of the District's General Obligation School Building Bonds, Series 2018 (the "Series 2018 Bonds") or (the "Bonds") in the aggregate principal amount of \$2,700,000 and then publicly examine bids received. Bids may be submitted as a sealed bid or as an electronic bid using the facilities of PARITY. The Superintendent will, after receipt and opening of such bids, award the Series 2018 Bonds to the best bidder,

**Bidders are required to submit a single bid for the series 2018 Bonds.**

DESCRIPTION OF ISSUE: \$2,700,000 of the of the Series 2018 Bonds will be issued to erect, remodel, make additions to and furnish school buildings, to purchase or improve school grounds, and to purchase computer software and hardware for student use in public schools, and to provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act or any combination of these purposes. The Series 2018 Bonds will be dated the date of delivery, and will mature in the following amounts:

**General Obligation School Building Bonds, Series 2018**

<u>Maturity Dates</u>	<u>Principal*</u>
<u>August 1</u>	
2019	\$15,000
2020	35,000
2021	35,000
2022	50,000
2023	25,000
2024	300,000
2025	320,000
2026	320,000
2027	320,000
2028	320,000
2029	320,000
2030	320,000
2031	<u>320,000</u>

\*Subject to Change

The Series 2018 Bonds will be fully registered bonds in the denomination of \$5,000 each, or any integral multiple thereof. Interest will be payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 of each year.

**ADJUSTMENT OF PRINCIPAL AMOUNTS, MODIFICATION OR CLARIFICATION PRIOR TO BID DEADLINE:** The Superintendent may, after consultation with the Board's financial and bond advisors, in the Superintendent's sole discretion and prior to the examination of bids, (i) adjust the aggregate principal amount set forth herein; (ii) adjust individual maturities; and/or (iii) modify or clarify any other term hereof by issuing a notification of the adjusted amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Bloomberg Financial Services no later than 8:30 a.m., prevailing Mountain Time, on the Bid Date.

**SALE OF AND ADJUSTMENT OF THE SERIES 2018 BONDS:** The District reserves the right to cancel the receipt of bids on the Series 2018 Bonds and not offer such Series 2018 Bonds for sale by giving notice by the TM3 News Service (or any other news wire service widely recognized and relied upon by the municipal securities industry, collectively defined as "TM3"), or by any other available means, of any new date and/or time of receipt of bids on the Bonds, not later than 8:30 A.M., prevailing Mountain time, on August 2, 2018, the date for submission of bids on the Bonds established by this Notice of Sale; provided, however, any bids subsequently received shall be effective with respect to the Series 2018 Bonds. All such notices provided through TM3, or by any other available means, shall be considered an amendment to this Notice of Sale. No additional notice shall be given if the District determines to accept bids for the Bonds, as set forth above.

**RESCHEDULING OF BID DATE AND DEADLINE:** The Superintendent may, after consultation with the Board's financial and bond advisors, in the Superintendent's sole discretion on notice given at least twenty-four (24) hours prior to the Original Deadline, reschedule the Original Bid Date and Original Deadline, and may, at that time or a subsequent time on at least twenty-four (24) hours prior notice, in each case via TM3 and/or Bloomberg Financial Services, establish a Rescheduled Bid Date and Rescheduled Deadline and a place where electronic bids will be publicly examined.

**ADJUSTMENT OF PRINCIPAL AMOUNT OF THE SERIES 2018 BONDS AFTER BIDS RECEIVED:** The District in consultation with its financial and bond advisors reserves the right to adjust the principal amount of the Series 2018 Bonds by increasing or decreasing the principal amount of each maturity and adjusting the aggregate principal amount of the Series 2018 Bonds and the maturity schedule in any amount in the years 2019 through 2031 in \$5,000 increments, no later than four (4) hours following receipt of bids to obtain sufficient funds to prepay and redeem the Bonds; notice of any adjustment will be given promptly to the winning bidder and any adjustment will be done in a "spread neutral" manner.

In the event the District exercises its right to make adjustments to the aggregate principal amount of the Series 2018 Bonds and/or the maturity schedule for such series after the deadline for the submission of bids, the winning bidder must execute and promptly deliver to the District an acknowledgment of and agreement with such modification and adjusted maturity schedule, and the Bonds shall be payable in the principal amounts contained therein and shall bear interest at the respective interest rates submitted by the winning bidder in its bid.

**For purposes of the written sealed bids, and bids received through the electronic bidding process, the time as maintained by PARITY shall constitute the official time.**

**BIDS DELIVERED TO THE DISTRICT:** Sealed bids, plainly marked "Bid for Bonds," should be addressed to "Superintendent, the Ruidoso Municipal School District No. 3," and delivered to the Ruidoso Municipal School District No. 1, c/o RBC Capital Markets, LLC, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110 prior to 10:00 a.m., local time, on August 2, 2018, the date of the bid opening. Such bids must be submitted on the Official Bid Form, without alteration or interlineation or through the electronic bidding process described below.

**ELECTRONIC BIDDING PROCEDURES:** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The Board will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Series 2018 Bonds on the terms provided in this Official Notice of Meeting and Bond Sale ("Notice"), and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Board. The Board and the Board's financial and bond advisors shall not be responsible for any malfunction or mistake made by or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice conflict with information provided by PARITY, as the approved provider of electronic bidding services, this Notice shall control. Further information about PARITY, including any fee charged, may be obtained from BIDCOMP/PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, i-Deal Prospectus:(212) 849-5024 or (212) 849-5025; BidComp/Parity: (212) 849-5021.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Board, as described under "BASIS OF AWARD" below. All electronic bids shall be deemed to incorporate the provisions of this Notice and the Official Bid Form.

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

- (a) The Bonds are not private activity bonds;
- (b) The District does not reasonably expect to issue qualified tax-exempt obligations in an aggregate principal amount exceeding \$10,000,000.00 during calendar year 2018; and
- (c) The District has not and will not designate more than \$10,000,000.00 in aggregate principal amount of qualified tax-exempt obligations during calendar year 2018.

**REDEMPTION:** The Series 2018 Bonds maturing on and after August 1, 2027, may be redeemed prior to their scheduled maturities on August 1, 2026, or on any date thereafter, in whole or in part, at the option of the District at par plus accrued interest to the date of redemption, if any.

**PAYMENT OF PURCHASE PRICE:** The purchaser will be required to make payment of the balance of the purchase price of the Series 2018 Bonds (after credit for the bidder's good faith deposit, without interest to the purchaser) in immediately available funds at a depository designated by the District on the date of closing.

**INTEREST RATE, BID LIMITATIONS:** The maximum net effective interest rate permitted on the Bonds is ten percent (10%), and no interest rate on any maturity of the Bonds may be greater than ten percent (10%) per annum. It is permissible to bid different or split rates of interest; provided, however, that: (1) no bid shall specify more than one interest rate for each maturity; (2) each bid shall specify one interest rate applicable for each common maturity of the Series 2018 Bonds; (3) each interest rate specified must be stated in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) per annum; and (4) the maximum interest rate specified for any maturity may not exceed the minimum interest rate specified for any other maturity by no more than three percent (3%). A bid of zero percent is not permitted.

**The Bonds will not be sold for less than 100% of par.**

Bidders are required to submit a bid specifying the lowest rate or rates of interest and premium, if any, at which such bidder will purchase the Bonds. For informational purposes only, each bidder is requested to specify the True Interest Cost on the Series 2018 Bonds stated as a nominal annual percentage rate (see "BASIS OF AWARD" below). Only unconditional bids shall be considered. Bids should be submitted on the Official Bid Form, which may be obtained from the District's financial advisor (see "FURTHER INFORMATION" below).

**NEW MEXICO CREDIT ENHANCEMENT PROGRAM:** The District will qualify the Series 2018 Bonds for the New Mexico Credit Enhancement Program created under Section 22-18-13, NMSA 1978 and the District will apply and pay for a Moody's Investor's Service, Inc., rating on the Series 2018 Bonds based on the New Mexico Credit Enhancement Program.

**BASIS OF AWARD:** The Bonds will be awarded to the best bidder, considering the interest rate or rates specified and the premium offered, if any, and subject to the right of the Board to reject any and all bids and re-advertise. The best bid will be determined and will be awarded on the basis of the True Interest Cost of the Bonds (i.e., using a True Interest Cost method) for each bid received, and an award will be made (if any is made) to the responsible bidder submitting the bid that results in the lowest actuarial yield on the Bonds. "True Interest Cost" of the Series 2018 Bonds, as used herein, means that yield, which if used to compute the present worth, as of the date of the Series 2018 Bonds, of all payments of principal and interest to be made on the Series 2018 Bonds, from their date to their respective maturity dates, as specified in the maturity schedule and without regard to the possible optional prior redemption of the Series 2018 Bonds, using the interest rates specified in the bid, produces an amount equal to the principal amount of the Series 2018 Bonds plus any premium bid. No adjustment shall be made in such calculation for accrued interest on the Series 2018 Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year consisting of twelve thirty day months and a semiannual compounding interval. The purchaser must pay accrued interest from the date of the Series 2018

Bonds to the date of delivery. **The Series 2018 Bonds will not be sold for less than par plus accrued interest.** The District reserves the right to waive any irregularity or informality in any bid, except time of filing.

**GOOD FAITH DEPOSIT:** All bids shall be sealed, except bids received by electronic transmission, and, a good faith deposit of \$54,000, representing 2% of the par amount, (in the form of cash (to be sent by wire transfer to a bank account designated by the District immediately upon notice from the financial advisor to the winning bidder and prior to official award of the Series 2018 Bonds by the Superintendent, a financial security bond, cashier's or treasurer's check or by certified check drawn on a solvent commercial bank or trust company in the United States of America and payable to "Ruidoso Municipal School District No. 3"), must accompany any bid. If a financial security bond is used, it must be from an insurance company that is licensed to issue such a bond in the State of New Mexico and that has a long term rating by a nationally recognized rating agency of one of the two highest rating categories for long term obligations. The financial security bond must identify each bidder whose good faith deposit is guaranteed by such bond. If the Series 2018 Bonds are awarded to a bidder utilizing a financial security bond, then that successful bidder is required to submit the amount of the good faith deposit to the District in the form of a cashier's, treasurer's or certified check as provided in the first sentence of this paragraph (or wire transfer such amount as instructed by the District or its financial advisor) not later than 2:30 p.m., local time, on the next business day following the opening of the bids for the Series 2018 Bonds. If such good faith deposit is not received by that time, the financial security bond may be drawn upon by the District to satisfy the good faith deposit requirement. No interest on such good faith deposit will accrue to the successful bidder. If the financial security bond is drawn against or the winning bidder wire transfers to the District the amount of the good faith deposit, such cash deposit will be applied to the purchase price of the Series 2018 Bonds.

The good faith deposit shall be returned for all non-successful bids or if no bid is accepted. If the successful bidder fails or neglects to complete the purchase of the Series 2018 Bonds within forty-five (45) days following the acceptance of the bid or within ten (10) days after the Series 2018 Bonds are offered for delivery, whichever is later, the amount of the deposit shall be forfeited to the District as liquidated damages, and, in that event, the Board may accept the bid of the one making the next best bid. If all bids are rejected, the Board shall re-advertise the Series 2018 Bonds for sale in the same manner as herein provided for the original advertisement. If there be two or more equal bids and such bids are the best bids received, the Board shall determine which bid shall be accepted.

**TIME OF AWARD AND DELIVERY:** The Superintendent will take action awarding the Series 2018 Bonds or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of the bids. Delivery of the Series 2018 Bonds will be made to the successful bidder through the facilities of The Depository Trust Company, New York, New York, within 60 days of the acceptance of the bid. If for any reason delivery cannot be made within 60 days, the successful bidder shall have the right to purchase the Series 2018 Bonds during the succeeding 30 days upon the same terms, or at the request of the successful bidder, during said succeeding 30 days, the good faith deposit will be returned, and such bidder shall be relieved of any further obligation. It is anticipated that the delivery of the Series 2018 Bonds will be on or about August 28, 2018.

**FURTHER INFORMATION:** Information concerning the Series 2018 Bonds, information regarding electronic bidding procedures, bid submission and other matters related to the Series 2018 Bonds, including printed copies of this Notice, the Official Bid Form, and the Preliminary Official Statement ("Preliminary Official Statement"), may be obtained from the District's financial advisor, RBC Capital Markets, LLC, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110. This Notice, the Official Bid Form and the Preliminary Official Statement is available for viewing in electronic format at [www.fmhub.com](http://www.fmhub.com) (MuniHub). The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Series 2018 Bonds, but will not prepare any other document or version for such purpose except as described below. In addition, any NASD registered broker-dealers or dealer banks with The Depository Trust Company clearing arrangements who bid on the Series 2018 Bonds are advised that they may either: (a) print out a copy of the Preliminary Official Statement on their own printer or (b) at any time prior to the sale date, elect to receive a photocopy of the Preliminary Official Statement in the mail by requesting it from the District's financial advisor. All bidders must review the Preliminary Official Statement, and by submitting a bid for the Series 2018 Bonds, each bidder certifies that such bidder has done so prior to participating in the bidding.

The District will agree in a separate agreement to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission Rule 15c2-12 ("Rule"), as described in the Preliminary Official Statement under "Continuing Disclosure of Information." The Preliminary Official Statement is deemed final by the District for purposes of Rule 15c2-12(b)(1) except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, any other terms or provisions required by an insurer of such securities to be specified in the winning bid, ratings, other terms of the securities depending on such matters, and the identity of the purchaser. The Board will furnish to the successful bidder or bidders, acting through a designated senior representative, in accordance with instructions received from such successful bidder(s) in order to comply with the Rule, within seven (7) business days from the sale date an aggregate of 20 copies of the final Official Statement, reflecting interest rates and other terms relating to the initial reoffering of the Series 2018 Bonds. The cost of preparation of the Official Statement shall be borne by the District except for the cost of any final Official Statement in excess of the number specified shall be borne by the successful bidder(s).

**TRANSCRIPT AND LEGAL OPINIONS:** The legality of the Series 2018 Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Attorneys at Law, Albuquerque, New Mexico, whose opinion approving the legality of the Series 2018 and Bonds will be furnished to the successful bidder at no cost to the successful bidder. The opinion will state in substance that the issuance of the Series 2018 Bonds is valid and legally binding upon the District, that all of the taxable property in the District is subject to the levy of a tax to pay the same without limitation of rate or amount, and that interest on the Series 2018 Bonds is excludable from gross income for purposes of federal income tax. The successful bidder (without cost to such bidder) will also be furnished with a complete transcript of the legal proceedings, including a no-litigation certificate stating that to the knowledge of the signer or signers thereof, as of the date of the delivery of the Series 2018 Bonds, no litigation is pending affecting their validity or the levy or collection of such taxes for their payment.

BOOK- ENTRY ONLY OBLIGATIONS: The Series 2018 Bonds will be issued in book-entry only form through the facilities of the Depository Trust Company (see Preliminary Official Statement).

CUSIP NUMBERS: CUSIP identification numbers may be typed or printed on the Series 2018 Bonds, but neither the failure to provide such number on any of the Series 2018 Bonds nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and to pay for the Series 2018 Bonds in accordance with the terms hereof. All expenses in relation to the CUSIP Service charge for the assignment of said numbers will be the responsibility of and will be paid for by the purchaser.

BLUE SKY LAWS: The District has not investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2018 Bonds under any applicable legal investment, insurance, banking, or other laws.

By submitting a bid, the initial purchaser represents that the sale of the Series 2018 Bonds in states other than New Mexico will be made only under exemptions from registration, or, wherever necessary, the initial purchaser will register the Series 2018 Bonds in accordance with the securities laws of the state in which the Series 2018 Bonds are offered or sold. The District agrees to cooperate with the initial purchaser, at the initial purchaser's written request and expense, in registering the Series 2018 Bonds or obtaining an exemption from registration in any state where such action is necessary but will not consent to service of process in any such jurisdiction.

DATED at Ruidoso, New Mexico this 8<sup>th</sup> day of May, 2018.

BOARD OF EDUCATION OF THE RUIDOSO  
MUNICIPAL SCHOOL DISTRICT NO. 3

By: /s/ Luther Light  
President

ATTEST:

/s/ Gillian Baudo  
Secretary