

OFFICIAL BID FORM
(August 2, 2018)

Ruidoso Municipal School District No.1
c/o RBC Capital Markets, LLC
6301 Uptown Blvd., N.E., Suite 110
Albuquerque, New Mexico 87110

Members of the Board:

Pursuant to your "Official Notice of Bond Sale," dated May 8, 2018, relating to the District's \$2,700,000 General Obligation School Building Bonds, Series 2018 (the "Bonds") which by reference is made a part hereof, we submit the following bid:

For your legally issued Bonds as described in the "Official Notice of Bond Sale," we will pay you par, plus accrued interest, if any, from the date of the Bonds to the date of delivery to us, provided the Bonds bear interest per annum as follows (August 1 of each year as follows):

General Obligation School Building Bonds, Series 2018

<u>Maturing (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</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	320,000		

Enclosed herewith is *a financial security bond*, *cash*, * a cashier's or treasurer's check of *, * a certified check drawn on *, a solvent commercial bank or trust company in the United States of America, made payable to the order of the Ruidoso Municipal School District No. 3, in the amount of \$54,000, which deposit represents our good faith deposit and is submitted in accordance with the terms set forth in the "Official Notice of Bond Sale." We will pay the CUSIP Service Bureau charge, if any, for the assignment of CUSIP numbers.

The undersigned agrees to complete, execute, and deliver to the District within two business days from the date hereof a Certificate of Underwriter/Purchaser Regarding Issue Price or a similar certificate relating to the "issue price" of the Bonds, in the form attached hereto, within two business days from the date hereof. Exhibit B attached hereto is provided as guidance to assist with completion of the Certificate Regarding Issue Price.

We understand and agree that no more than twenty (20) copies of the final Official Statement, including any amendments or supplements thereto will be supplied to us at the District's expense and that any additional copies requested will be subject to a charge to us. By accepting this bid, you agree to provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Bond Sale, and you undertake your other obligations described therein, as contemplated by Rule 15c2-12 of the Securities and Exchange Commission.

Respectfully submitted,

_____	_____
_____	_____
_____	_____

By: _____

Authorized Representative

* (Strike inapplicable words)

For informational purposes only, our calculation of the True Interest Cost is as follows:

True Interest Cost: (stated as a nominal annual percentage) _____%

Additionally, for informational purposes only, the following is requested:

Gross Interest Cost: \$ _____

Bond Insurance (if any) at Cost of Bidder:

Less Premium Bid: \$ _____

Name of Company: _____

Net Interest Cost: \$ _____

Insurance Premium: \$ _____

Additional Rating (if any) at Cost of Bidder:

Name of Rating Agency:

ACCEPTANCE CLAUSE

The above bid is hereby in all things accepted by the Ruidoso Municipal School District No. 3, County of Lincoln, New Mexico, this 2nd day of August, 2018.

RUIDOSO MUNICIPAL SCHOOL
DISTRICT NO. 3

Superintendent or Director of Business
and Finance

CERTIFICATE REGARDING ISSUE PRICE

EXHIBIT A **[to Bid Form]**

The undersigned hereby certifies on behalf of _____ (the "Underwriter/Purchaser") as follows with respect to the \$2,700,000 Ruidoso Municipal School District No. 3 General Obligation School Building Bonds, Series 2018 (the "Bonds").

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter/Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter/Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter/Purchaser to purchase the Bonds.

(b) The Underwriter/Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter/Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter/Purchaser or a related party to an Underwriter/Purchaser. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 23, 2018.

(d) *Underwriter/Purchaser* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter/Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter/Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

By:_____

Name:_____

Dated:_____

**ISSUE PRICE CERTIFICATE
SCHEDULE A**

EXPECTED OFFERING PRICES
(Attached)

**ISSUE PRICE CERTIFICATE
SCHEDULE B**

**COPY OF UNDERWRITER/PURCHASER'S BID
(Attached)**

EXHIBIT B

Establishment of Issue Price (Hold-the-Offering-Price Rule May Apply if Competitive Sale Requirements are Not Satisfied)

The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an “issue price” or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(a) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

(i) the District shall disseminate a Notice of Sale to potential Underwriter/Purchasers in a manner that is reasonably designed to reach potential Underwriter/Purchasers;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the District may receive bids from at least three Underwriter/Purchasers of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the District shall so advise the winning bidder. The District may determine to treat (i) the first price at which 10% of each maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the District if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The District shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (d)(i) below. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids

on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.

(b) By submitting a bid, the winning bidder shall (i) confirm that the Underwriter/Purchasers have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the Underwriter/Purchasers participating in the purchase of the Bonds, that the Underwriter/Purchasers will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the Holding Period, as defined in subparagraph (c)(i) below.

(c) The following terms are defined below:

(i) *Hold the Offering Price Maturity* means a maturity of the Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Holding-the-Offering-Price Maturity.

(iii) *Maturity* means Bonds with the same credit and payment terms. Bond with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter/Purchaser or a related party to an Underwriter/Purchaser. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 23, 2018.

(vi) *Underwriter/Purchaser* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter/Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the to the Public). Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

The winning bidder shall promptly advise the Issuer when the Underwriter/Purchasers have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the

initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(a) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(b) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter/Purchaser to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriter/Purchasers and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter/Purchaser is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter/Purchaser shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter/Purchaser shall be liable for the failure of any other Underwriter/Purchaser, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(c) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriter/Purchasers, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter/Purchaser, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriter/Purchasers relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter/Purchaser that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter/Purchaser that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter/Purchaser and as set forth in the related pricing wires.

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