

APPENDIX C

NOTICE OF SALE

OFFICIAL NOTICE OF BOND SALE

DATED JULY 12, 2016

relating to

\$5,000,000

**Municipal Gross Receipts Tax Improvement Revenue Bonds
(Flood Control Infrastructure Projects)**

Series 2016

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of the City of Las Cruces, New Mexico (the "City Council" and the "City," respectively), will receive electronic bids at the offices of the City, 700 North Main Street, Las Cruces, New Mexico, at the hour of 9:00 a.m., prevailing Mountain Time, on the 20th day of July, 2016 (the "Bid Date"), for the purchase of City of Las Cruces, New Mexico Municipal Gross Receipts Tax Improvement Revenue Bonds (Flood Control Infrastructure Projects), Series 2016 (the "Series 2016 Bonds" or the "Bonds"). Bids for the purchase of the Bonds will be accepted through the Grant Street Group electronic bidding web site ("Grant Street Group") at www.grantstreet.com. No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

Bid Date: July 20, 2016

**Bid Time: Between 11:00 a.m. and 11:30 a.m. Eastern Time
(Between 9:00 a.m. and 9:30 a.m. Mountain Time)**

Submit Bid to: www.grantstreet.com

Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x1370).

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the City's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Grant Street Group shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Neither the City, Grant Street Group, the Municipal Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the Bonds. The information set forth herein is subject, in all respects, to a more complete description of the Bonds and the security therefore

set forth in the Preliminary Official Statement dated July 12, 2016 (the “Preliminary Official Statement”).

BOND DETAILS

The Bonds will be issued in the aggregate principal amount of \$5,000,000. The Bonds and the interest thereon are special limited obligations of the City. The City has prepared the Preliminary Official Statement, relating to the Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission (“the Rule”), except for the omission of certain information as permitted by the Rule. Details of the Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

Official Statement. The Preliminary Official Statement may be viewed and downloaded from www.grantstreet.com or a physical copy may be obtained by contacting the City or the Municipal Advisor, see “Information” below.

The City will make available to the winning bidder, within seven business days after the award of the sale of the Bonds, the Final Official Statement which is to be downloaded from www.grantstreet.com. One physical copy of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

TERMS OF SALE

Submission of Bids. All bids must be submitted only by electronic bidding on Grant Street Group at www.grantstreet.com. No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the Bonds will begin at 11:00 a.m., Eastern Time (9:00 a.m. Mountain Time), as indicated above. The receipt of bids for the Bonds will end promptly at 11:30 a.m., Eastern Time (9:30 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have never registered with Grant Street Group, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call **Grant Street Group Auction Support at (412) 391-5555 (x1370)**, for their ID Number or password.

Rules of Grant Street Group. Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by

reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

Bidding Parameters. Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the Bonds. Interest shall be bid in multiples of 1/20th or 1/8th percentum and only one interest rate may be bid for each maturity of the Bonds. The maximum interest rate specified for any maturity of Bonds may not exceed the minimum interest rate specified for any maturity of the Bonds by more than 4 percent (4%). The maximum net effective interest rate of the Bonds shall not exceed twelve percent (12%) per annum.

Term Bonds. A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as one or more term bonds (the "Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement, however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

Adjustment of principal amounts, modification or clarification prior to examination of bids. The City Treasurer, in consultation with the City's financial and bond advisors, in the City Treasurer's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the Bonds and will be received, by issuing a notification of the adjusted series, amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Grant Street platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

Adjustments to principal amounts after determination of best bid. The aggregate principal amount of the Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the City Treasurer after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the City. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Karin Byrum at kdevogel@las-cruces.org or such other address as may be indicated by the City Treasurer within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the Bonds, the initial offering price of each maturity, and the amount received from the sale of the Bonds to the public that will be retained by the Purchaser as its compensation.

The City Treasurer in consultation with the City's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The City Treasurer in consultation with the City's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the City, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule. The City will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2015A Bonds. **THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE CITY FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE BONDS.**

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (*i.e.*, "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the Bonds as of August 24, 2016, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the City. The City will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed".

An award may be made by the City to any bidder in a principal amount less than the principal amount of the Bonds for which the bid is submitted. Further, in the event of an award by the City for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit Not Required to Bid. A good faith deposit will not be required in connection with the submission of any bid for the Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

Bid Award Deposit. Not later than 12:00 p.m., Mountain Time on July 20, 2016, the winning bidder for the Bonds is required to submit a Bid Award Deposit of \$100,000. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the City Treasurer and provided to the winning bidder after the sale of the Bonds.

No interest will be paid by the City on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder for the Bonds will be applied to the purchase price of the Bonds; or in the event of the failure of a winning bidder to take up and pay for the Bonds in compliance with the terms of the bid, at the option of the City, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the City.

Manner and Time of Delivery. The Bonds will be delivered to DTC for the account of the respective winning bidder or bidders therefor at the expense of the City on August 24, 2016, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The City has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as disclosed in the Preliminary Official Statement.

State Securities Laws. The City has taken no action to qualify the offer or sale of the Bonds under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the Bonds at the expense of the City. Any error or omission in printing such numbers on the Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

Legal Opinion, Certificates and Transcript. The validity and enforceability of the Bonds will be approved by the City's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The respective purchasers of the Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the City to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the City to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the Bonds as of the date of their delivery; and

(c) a certificate of the City to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Certification of Issue Price. Any winning bidder will be required to complete, execute, and deliver to the City (on or before the date of delivery of the Bonds) a certification as to issue price and certain other matters, substantially in the form to be furnished by Bond Counsel. By submitting its bid, each bidder agrees to complete, execute, and deliver such certificate by the date of delivery of the Bonds if its bid is accepted. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, and otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced.

Rating. The Bonds have been assigned a rating of "A1" by Moody's Investors Service.

Information. Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the City, the Bonds may be obtained from:

Karin Byrum, Interim City Treasurer
Las Cruces, New Mexico
P.O. Box 20000
Las Cruces, New Mexico 88004
Phone: (575) 541-2035

Erik Harrigan, Director
RBC Capital Markets
6301 Uptown Blvd., Ste.
110 Albuquerque, NM
87110
Phone: (505) 872-5999

The date of this Official Notice of Bond Sale is as of July 12, 2016.

CITY OF LAS CRUCES, NEW MEXICO

CITY OF LAS CRUCES, NEW MEXICO
Municipal Gross Receipts Tax Improvement Revenue Bonds
(Flood Control Infrastructure Projects)
Series 2016

OFFICIAL BID FORM (July 20, 2016)

City of Las Cruces, New Mexico
c/o RBC Capital Markets, LLC
6301 Uptown Boulevard NE, Suite 110
Albuquerque, New Mexico 87110

Attention: City Treasurer

Members of the City Council:

Pursuant to your "Official Notice of Bond Sale," dated July 12, 2016, relating to the City's Municipal Gross Receipts Tax Improvement Revenue Bonds, Series 2016 in the principal amount of \$5,000,000 (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 Meeting and 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:

Series 2016 Bonds

Maturing (June 1)	Principal Amount	Interest Rate	Yield
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			

If this bid is the best bid for the Bonds, we will send a wire transfer to the City of Las Cruces, in the amount of \$100,000 prior to the acceptance of our bid by the City Council, which wire transfer will be our good faith deposit and 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 City a Certificate Regarding Issue Price or a similar certificate relating to the "issue price" of the Bonds, in the form attached as Exhibit A.

We understand and agree that no more than fifty (50) copies of the final Official Statement, including any amendments or supplements thereto will be supplied to us at the City'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: \$ _____

Less Premium Bid: \$ _____

Net Interest Cost: \$ _____

Additional Rating (if any) at Cost of Bidder:

Name of Rating Agency:

ACCEPTANCE CLAUSE

The above bid is hereby accepted by the City of Las Cruces, New Mexico, this 20th day of July, 2016.

CITY OF LAS CRUCES, NEW MEXICO

Ken Miyagishima, Mayor

Linda Lewis, City Clerk

CERTIFICATE REGARDING ISSUE PRICE

The undersigned hereby certifies as follows with respect to the \$5,000,000 principal amount of the City of Las Cruces, New Mexico Municipal Gross Receipts Tax Revenue Bonds, Series 2016 (the "Bonds").

1. The undersigned is the original purchaser which purchased the Bonds from the City of Las Cruces, New Mexico (the "Issuer").

2. The initial offering prices of the Bonds at which bona fide offers of sale of each maturity were made to the public are as follows:

Maturity Date (June 1)	Principal	Interest Rate	Yield	Dollar Price	Initial Offering Price
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					

3. All of the Bonds were offered to the public at the initial offering prices set forth above and we reasonably expected to sell 10% of each maturity to the public (other than to bond houses, brokers and other intermediaries) at not more than the initial offering price of each such maturity. The aggregate of the initial offering prices of each maturity of the Bonds is \$_____ (consisting of \$5,000,000 as the par amount of the Bonds, plus a net reoffering premium in the amount of \$_____).

4. The undersigned understands that the statements made herein will be relied upon by the Issuer in its effort to complete the Information Return for Tax-Exempt Governmental Bond Issues (Form 8038-G), required to be filed pursuant to the Internal Revenue Code of 1986, as amended and with regard to establishing facts and circumstances relied on by the Issuer and bond counsel in connection with the issuance of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes. Such reliance is hereby authorized and approved.

Executed and delivered this ____ day of August, 2016.

By _____
Authorized Representative