

OFFICIAL NOTICE OF BOND SALE

GADSDEN INDEPENDENT SCHOOL DISTRICT NO. 16
COUNTIES OF DOÑA ANA AND OTERO,
STATE OF NEW MEXICO
GENERAL OBLIGATION SCHOOL BONDS
SERIES 2016 - \$9,500,000

PUBLIC NOTICE IS HEREBY GIVEN that the Board of Education of the Gadsden Independent School District No. 16 ("Board"), governing body of the Gadsden Independent School District No. 16 ("District"), Doña Ana and Otero Counties, New Mexico, will, until the hour of 10:00 a.m., local time, on September 8, 2016, at the office of RBC Capital Markets, LLC, Albuquerque, New Mexico, receive bids for the purchase of the District's General Obligation School Bonds, Series 2016 ("Bonds"), in the aggregate principal amount of \$9,500,000. Bids may be submitted as a sealed bid or as an electronic bid using the facilities of BiDCOMP/Parity. Submission of bids is further discussed below. The Board will hold a regular open meeting at the Gadsden Administrative Complex, Sunland Park, New Mexico, on September 8, 2016, at 5:00 p.m., local time, after receipt and opening of such bids, and will award the Bonds, adopt a bond resolution, and consider any other related matters.

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

Bids Delivered to the Board:

Sealed bids, plainly marked "Bid for Bonds," should be addressed to "Board of Education, Gadsden Independent School District No. 16," and delivered to the Gadsden Independent School District No. 16, Sunland Park, New Mexico, Attention: Secretary, Board of Education, 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 September 8, 2016, the date of the bid opening. Such bids must be submitted on the Official Bid Form, without alteration or interlineation.

Electronic Bidding Procedures:

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of BiDCOMP/Parity. Subscription to IPREO'S BiDCOMP/Parity 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 BiDCOMP/Parity shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of 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 RBC Capital Markets, LLC ("District's

Municipal Advisor”) shall not be responsible for any malfunction or mistake made by or as a result of the use of the facilities of BiDCOMP/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 BiDCOMP/Parity, as the approved provider of electronic bidding services, this Notice shall control. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity, 1359 Broadway, 2nd Floor, New York, New York 10018, attention: Customer Support (212) 849-5021.

Adjustment of Principal Amounts, Modification Or Clarification Prior To The Examination Of Bids:

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.

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.

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.

THE BONDS

The Bonds will be dated as of their date of initial delivery, expected to be October 19, 2016 and will be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. The Bonds will be issued in book-entry-only form through the facilities of The Depository Trust Company, New York, New York and beneficial owners will not receive physical delivery of Bond certificates. BOKF, N.A., Albuquerque, will be the initial paying agent/registrar for the Bonds. The Bonds will mature on August 15 in each of the years and in the principal amounts as follows:

<u>Years</u>	<u>Amount Maturing</u>
2017	\$ 220,000
2018	1,000,000
2019	1,000,000
2020	1,000,000
2021	1,050,000
2022	1,050,000
2023	1,050,000
2024	1,050,000
2025	1,050,000
2026	1,030,000

Both principal and interest on the Bonds will be payable in lawful money of the United States of America, and the principal of each Bond will be payable at the principal office of the paying agent/registrar for the Bonds. The interest on each Bond shall be payable by check or draft mailed to the respective registered owners thereof at the address as it appears on the registration books of said paying agent/registrar or any successor paying agent/registrar. Said issue constitutes a portion of the bonds which were authorized at a special election held on February 4, 2014, and are for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes, and will constitute general obligation bonds of the District, payable from general taxes that may be levied without limitation as to rate or amount.

REDEMPTION

Bonds maturing on or after August 15, 2025, may be redeemed prior to their scheduled maturities on August 15, 2024, or on any date thereafter, in whole, or in part on any interest payment date, at the option of the District, with funds derived from any available and lawful source, and the District shall designate the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the District shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity, for redemption (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price of par, plus accrued interest to the date fixed for prepayment or redemption.

At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof, prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first class postage pre-paid, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date. By the date fixed for any such redemption, due provision shall be made with Paying Agent/Registrar for the payment of the required redemption price for

the Bonds, or portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such written notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion, thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the District.

PAYMENT OF PURCHASE PRICE

The purchaser will be required to make payment of the balance of the purchase price of the 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.

INTEREST RATE, BID LIMITATIONS, AND MAXIMUM PREMIUM LIMITATION

Interest on the Bonds will be payable on February 15, 2017 and semi-annually thereafter on August 15 and February 15 in each year until maturity.

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 interest rate specified must be stated in a multiple of one-eighth ($1/8^{\text{th}}$) or one-twentieth ($1/20^{\text{th}}$) of one percent (1%) per annum; and (3) the maximum interest rate specified for any maturity may not exceed the minimum interest rate specified for any other maturity by more than two percent (2%).

The Bonds will not be sold for less than par plus accrued interest nor will a premium in excess of two percent (2%) of par be accepted.

Each bidder is required to submit an unconditional, written and sealed bid on the Official Bid Form or electronically through BiDCOMP/Parity for all of the Bonds 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 Bonds stated as a nominal annual percentage rate (see "BASIS OF AWARD" below). Only unconditional bids shall be considered. The Official Bid Form, which may be obtained from the District's Municipal Advisor (see "FURTHER INFORMATION" below).

INSURANCE

The District may apply for municipal bond insurance for payment of principal of and interest on the Bonds. If the Bonds are approved for municipal bond insurance, the Bonds may be insured at the bidder's request and expense; and if the successful bidder desires that a legend be printed on the Bonds stating they are insured, the form of such legend and a written request that it be printed on the Bonds must be received by the District's Municipal Advisor, identified under "Further Information" below, within forty-eight (48) hours of the award of the Bonds to the successful bidder. At the delivery of the Bonds, the bidder is required to provide documentation to the District confirming that the premiums due the insurance company and any rating agency fees (other than the fee of Moody's Investors Service, which will be paid by the District) have been fully paid.

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 Bonds, as used herein, means that yield, which if used to compute the present worth, as of the date of the Bonds, of all payments of principal and interest to be made on the 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 Bonds, using the interest rates specified in the bid, produces an amount equal to the principal amount of the Bonds plus any premium bid. No adjustment shall be made in such calculation for accrued interest on the Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year consisting of twelve 30-day months and a semiannual compounding interval. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery. **The Bonds will not be sold for less than par plus accrued interest nor will a premium in excess of two percent (2%) of par be accepted.** 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. Except for any bid of the State of New Mexico, if one is received, the successful bidder must send an electronic wire transfer to such account as the District shall specify in immediately available funds a good faith deposit of \$190,000. (If such wire transfer is not received from the successful bidder by 3:30 p.m., prevailing Mountain time, on September 8, 2016, the next best bidder may be awarded the Bonds.) No interest on such good faith deposit will accrue to the successful bidder. The good faith deposit will be applied to the purchase price of the Bonds. WIRE INSTRUCTIONS WILL BE PROVIDED TO THE SUCCESSFUL BIDDER.

If the successful bidder shall fail or neglect to complete the purchase of said Bonds within forty-five (45) days following the acceptance of the bid or within ten (10) days after the 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 said 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 Board will take action awarding the Bonds or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of the bids. Delivery of the Bonds will be made to the successful bidder through the facilities of The Depository Trust Company, New York, New York, within forty-five (45) days of the acceptance of the bid. If for any reason delivery cannot be made within forty-five (45) days, the successful bidder shall have the right to purchase the Bonds during the succeeding ten (10) days upon the same terms, or at the request of the successful bidder, during said succeeding ten (10) days, the good-faith deposit will be returned, and such bidder shall be relieved of any further obligation. The successful bidder shall make final payment for the Bonds in immediately available funds to the District for immediate and unconditional credit to the account of the District. It is anticipated that the delivery of the Bonds will be on or about October 19, 2016.

FURTHER INFORMATION

Information concerning the Bonds, information regarding electronic bidding procedures, bid submission and other matters related to the Bonds, 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 are available for viewing in electronic format from MuniHub <http://fmbhub.com>.

The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the 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 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 Municipal Advisor. All bidders must review the Preliminary Official Statement, and by submitting a bid for the Bonds, each bidder certifies that such bidder has done so prior to participating in the bidding.

The District will agree in the resolution authorizing the Bonds 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 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 issuer 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 ten (10) copies of the final Official Statement, reflecting interest rates and other terms relating to the initial reoffering of the 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, prepared, and distributed by the successful bidder(s).

LEGAL OPINIONS AND TRANSCRIPT OF PROCEEDINGS

The New Mexico Attorney General's written approval of the Bonds, as to form and legality, will be supplied. In addition, the legality of the Bonds will be approved by Cuddy & McCarthy, LLP, Attorneys at Law, Santa Fe, New Mexico, and McCall, Parkhurst & Horton L.L.P., Attorneys at Law, Austin, Texas ("District's Co-Bond Counsel"), whose opinions approving the legality of the Bonds will be furnished at no cost to the successful bidder. The opinions will state in substance that the issue of the Bonds in the amount aforesaid 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 Bonds is excludable from gross income for purposes of federal income tax, all as described in the Official Statement. See the Official Statement for a discussion of such opinions. 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 which will state that no litigation is pending to the knowledge of the signer or signers thereof as of the date of the delivery of the Bonds affecting their validity or the levy or collection of such taxes for their payment.

CERTIFICATION OF ISSUE PRICE

In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended, relating to the exemption of interest on the Bonds from the gross income of their owners, the successful bidder will be required to complete, execute, and deliver to the District (on or before the date of delivery of the Bonds) a certification as to the "issue price" of the Bonds substantially in the form accompanying this Notice. In the event the successful bidder will not re-offer the Bonds for sale or is unable to sell a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District and McCall, Parkhurst & Horton L.L.P. Each bidder, by

submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the Board. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel. In no event will the District fail to deliver the Bonds as a result of the successful bidder's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.

CERTIFICATION OF OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the successful bidder will be furnished a certificate, executed by proper officers of the District, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to District contained in the final Official Statement, and any addenda, supplement or amendment thereto, on the date of the final Official Statement, on the date of sale of the Bonds and the acceptance of the bids therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, the final Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the District, and their activities contained in such final Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and the District has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of District since the date of the last audited financial statements of the District.

BOOK- ENTRY-ONLY OBLIGATIONS

The 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 Bonds, but neither the failure to provide such number on any Bond 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 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 Bonds under any applicable legal investment, insurance, banking, or other laws.

By submitting a bid, the initial purchaser represents that the sale of the Bonds in states other than New Mexico will be made only under exemptions from registration, or, wherever necessary, the initial purchaser will register the Bonds in accordance with the securities laws of the state in which the 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 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 Sunland Park, New Mexico, this 11th day of August, 2016.

/s/ Maria Saenz

President, Board of Education
Gadsden Independent School District No. 16

[SEAL]

Attest:

/s/ Jennifer Viramontes

Secretary, Board of Education
Gadsden Independent School District No. 16