

OFFICIAL NOTICE OF BOND SALE
 \$14,000,000
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COUNTY OF SAN JUAN, STATE OF NEW MEXICO
 GENERAL OBLIGATION SCHOOL BUILDING BONDS
 SERIES 2012

PUBLIC NOTICE IS HEREBY GIVEN that the Board of Education of the Farmington Municipal School District No. 5 ("Board"), governing body of the Farmington Municipal School District No. 5 ("District"), San Juan County, New Mexico, will, until the hour of 11:00 a.m., local time on Thursday, April 12, 2012, or such other date and time as indicated below, receive bids at the Farmington Municipal School District No. 5, Central Office Board Room, 2001 North Dustin, Farmington, 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 2012 ("Bonds"), in the aggregate principal amount of \$14,000,000 and then publicly examine electronic bids. Bids may be submitted as a sealed bid or as an electronic bid using the facilities of PARITY. The Board will hold a regular meeting at the Farmington Municipal School District No. 5, Central Office Board Room, 2001 North Dustin, Farmington, New Mexico, on Thursday, April 12, 2012, at 5:15 p.m., local time, after receipt and opening of such bids, and will award the Bonds to the best bidder, adopt a bond resolution, and consider any other related matters.

DESCRIPTION OF ISSUE: The Bonds were authorized at a special election held within the District on August 31, 2010 (the "Election") and will be issued in the aggregate principal amount of \$14,000,000, will be dated the date of delivery, and will mature on September 1, 2012 and serially thereafter on September 1 of each year through 2024 in the following amounts:

<u>Years Maturing</u> <u>September 1</u>	<u>Amounts Maturing</u>
2012	\$2,500,000
2013	1,000,000
2014	1,000,000
2015	900,000
2016	950,000
2017	950,000
2018	950,000
2019	950,000
2020	950,000
2021	950,000
2022	950,000
2023	975,000
2024	975,000

The Bonds will be fully registered bonds in the denomination of \$5,000 each, or any integral multiple thereof. Interest will be payable on September 1, 2012 and semiannually thereafter on March 1 and September 1 of each year.

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 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 BOARD: Sealed bids, plainly marked "Bid for Bonds," should be addressed to "Board of Education, Farmington Municipal School District No. 5," and delivered to the Farmington Municipal School District No. 5 c/o RBC Capital Markets, Central Office Board Room, 2001 North Dustin, Farmington, New Mexico, Attention: Secretary, Board of Education, prior to 11:00 a.m., local time, on Thursday, April 12, 2012, 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 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 RBC Capital Markets, LLC ("District's Financial Advisor") 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.

REDEMPTION: Bonds maturing on or after September 1, 2021, may be redeemed prior to their scheduled maturities on September 1, 2020, or any date thereafter, in whole or in part, at the option of the District, with funds derived from any available and lawful source, at the redemption price of par, plus accrued interest to the date fixed for redemption.

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: 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) or one-twentieth (1/20) 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 no more than two percent (2%). The maximum premium for the Bonds may not exceed six percent (6%) of the aggregate principal amount of the Bonds.

The Bonds will not be sold for less than par plus accrued interest.

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 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).

BID ADJUSTMENT AFTER RECEIPT OF BIDS: The District reserves the right, after receipt of bids, to adjust the principal amount and maturity schedule for the Bonds by increasing or decreasing the principal amount of each maturity no later than two (2) hours following receipt of bids to maintain stable debt service; notice of any

adjustment will be given promptly to the best bidder and any adjustment will be done in a "spread neutral" manner.

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 not to exceed 6% par amount of the Bonds. 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 thirty 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.** The District reserves the right to waive any irregularity or informality in any bid, except time of filing.

GOOD FAITH DEPOSIT: Only unconditional bids will be considered. If the good faith deposit is to be made by wire transfer, the Good Faith Deposit is not required to be provided at, or prior to, the time of bid submission, however, prior to award on April 12, 2012, the best bidder must send a good faith deposit of \$280,000 for the Bonds by wire transfer to an account specified by the District. If such wire transfer is not received from the best bidder prior to award on April 12, 2012, the next best bidder may be awarded the Bonds. No interest on the deposit will accrue to the best bidder. The deposit will be applied to the purchase price of the Bonds.

An alternative method is for a sealed bid to be submitted which is accompanied by a good faith deposit of \$280,000, representing 2% of the par amount in the form of cash, a cashier's check or certified check drawn on a commercial bank or trust company in the United States of America and made payable to "Farmington Municipal School District No. 5." A good faith deposit from the State of New Mexico is not required. The good faith deposit shall be returned for all non-successful bids or if no bid is accepted.

The good faith deposit shall be returned if the bid is not accepted by the Board. If the successful bidder fails or neglects to complete the purchase of the 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 readvertise the 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 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 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 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 Bonds will be on or about May 16, 2012.

FURTHER INFORMATION: Information concerning the Bonds, information regarding electronic bidding procedures, bid submission and other matters related to the 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, 6301 Uptown Boulevard, 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.i-dealprospectus.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 Financial 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 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 50 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 by the successful bidder(s).

QUALIFIED TAX EXEMPT OBLIGATIONS: The District does **not** intend 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").

ISSUE PRICE CERTIFICATE: The purchaser of the Bonds, by submitting its bid, agrees to provide a certificate including information as to bona fide initial offering prices to the public and sales of the Bonds and a certified determination of yield on the Bonds under the Code, as and at the time requested by the Financial Advisor and Bond Counsel.

TRANSCRIPT AND LEGAL OPINIONS: 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 Modrall, Sperling, Roehl, Harris & Sisk, P.A., Attorneys at Law, Albuquerque, New Mexico, whose opinion approving the legality of the Bonds will be furnished to the successful bidder at no cost to the successful bidder. The opinion will state in substance that the issue of the 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 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 Bonds, no litigation is pending affecting their validity or the levy or collection of such taxes for their payment.

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 Farmington, New Mexico this 12th day of April, 2012.

BOARD OF EDUCATION
FARMINGTON MUNICIPAL SCHOOL
DISTRICT NO. 5

By _____
President

By _____
Superintendent

OFFICIAL BID FORM
(April 12, 2012)

Farmington Municipal School District No. 5
RBC Capital Markets, LLC
6301 Uptown Blvd., NE, Suite 110
Albuquerque, NM 87110

Members of the Board:

Pursuant to your "Official Notice of Bond Sale," dated April 2, 2012, relating to the District's General Obligation Bonds, Series 2012, ("Bonds") in the principal amount of \$14,000,000, which by reference is made a part hereof, we submit the following bid:

For your legally issued Bonds as described in said "Official Notice of Bond Sale," we will pay you par, plus a premium in the amount of \$_____, provided the Bonds bear interest per annum as follows:

<u>Maturing (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2012	\$2,500,000		
2013	1,000,000		
2014	1,000,000		
2015	900,000		
2016	950,000		
2017	950,000		
2018	950,000		
2019	950,000		
2020	950,000		
2021	950,000		
2022	950,000		
2023	975,000		
2024	975,000		

All bids submitted shall be sealed or received by electronic transmission, and have a good faith deposit of \$280,000, representing 2% of the par amount which may be sent by wire transfer to a bank account designated by the District, or by cashier's check, treasurer's check or by certified check drawn on a solvent commercial bank or trust company in the United States of America and be payable to "Farmington Municipal School District No. 5" except for any bid of the State of New Mexico, if one is received. The good faith deposit must be received prior to official award of the Bonds by the Board 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 Regarding Issue Price or a similar certificate relating to the "issue price" of the Bonds, in the form and to the effect approved by the District, within two business days from the date hereof.

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 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:

ACCEPTANCE CLAUSE

The above bid is hereby in all things accepted by the Farmington Municipal School District No. 5, County of San Juan, New Mexico, this ____ day of _____, 2012.

FARMINGTON MUNICIPAL SCHOOL
DISTRICT NO. 5, COUNTY OF SAN JUAN,
NEW MEXICO

By _____
President, Board of Education

Secretary, Board of Education

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CERTIFICATE REGARDING ISSUE PRICE

The undersigned hereby certify as follows with respect to the \$14,000,000 principal amount of Farmington Municipal School District No. 5, San Juan County, New Mexico General Obligation School Building Bonds, Series 2012 (the "Bonds").

1. The undersigned is the original purchaser which purchased the Bonds from Farmington Municipal School District No. 5, San Juan County, New Mexico (the "District").

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

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Dollar</u> <u>Price</u>	<u>Actual</u> <u>Price</u>
2012	\$2,500,000				
2013	1,000,000				
2014	1,000,000				
2015	900,000				
2016	950,000				
2017	950,000				
2018	950,000				
2019	950,000				
2020	950,000				
2021	950,000				
2022	950,000				
2023	975,000				
2024	975,000				

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

4. The undersigned understands that the statements made herein will be relied upon by the District 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 District 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; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

Executed and delivered this ____ day of _____, 2012.

[BOND PURCHASER]

By: _____
Authorized Representative