

NOTICE OF SALE

GALWAY CENTRAL SCHOOL DISTRICT SARATOGA COUNTY, NEW YORK

\$26,100,000 BOND ANTICIPATION NOTES, 2019 (the "Notes")

SALE DATE: April 18, 2019 **TELEPHONE:** (716) 662-3910
TIME: 11:00 AM **FACSIMILE:** (716) 662-6684
(Prevailing Time)
PLACE OF SALE: Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, New York 14127
DATE OF NOTES: May 1, 2019
MATURITY DATE: April 30, 2020

Sealed proposals, telephone proposals or fax proposals will be received at the place and time on the Sale Date as hereinabove indicated, for the purchase at not less than par of the Notes as hereinabove described.

The timely delivery of all proposals submitted by facsimile transmission (FAX) in legible and completed form signed by an authorized representative of the bidder shall be the sole responsibility of the bidder. The Galway Central School District (the "District") shall not be responsible for any errors and/or delays in the transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

The Notes are general obligations of the District and the faith and credit of the District are pledged for payment of the principal of and interest on the Notes. All the taxable real property in the District will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Notes. See "Appendix A - Tax Information - Tax Levy Limitation Law" in the Official Statement. The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and a 360-day year basis, payable at maturity.

The Notes will be issued as registered notes and, at the option of the purchaser(s), may be issued as book-entry-only and registered to the Depository Trust Company ("DTC") or may be registered in the name of the purchaser(s).

If the Notes are issued in book-entry-only form, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, the School District will act as paying agent. In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder.

Bids may be made for all or a portion of the Notes (\$5,000,000 minimum) and state a rate or rates of interest in multiples of 1/100 or 1/8 of one per centum per annum. Interest will be calculated on the basis of a 30-day month and 360-day year. Said Notes will be awarded to the bidder(s) complying with the terms of this Notice of Sale and offering the lowest net interest cost (that being the interest rate which produces the lowest net interest cost over the life of the Notes after deducting the premium, if any); provided, however, that if two or more bidders offer to purchase said Notes at the same lowest net interest cost, then such award will be made first on the basis of the greatest minimum bid offered, and if two or more bidders offer the same minimum bid, then to the bidder offering the greatest premium, and, if two or more bidders offer the same premium, then to one of said bidder(s) selected by

the Sale Officer by lot or any other customary method from among said bidders. The right is reserved by the District to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any, specified by such bidder will be pro-rated. The right is reserved by said District to reject any or all bids. All conditional bids will be rejected.

The School District may, after selecting the low bidder, decrease the aggregate principal amount of the Notes by an amount not in excess of the premium, in order that the total proceeds, which include the total principal amount of the Notes plus the original issue premium, if any, received by the School District does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code").

Issue Price

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Notes. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

The winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Notes (the "Initial Reoffering Prices") as of the date of the award.

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. Such election must be made on the bid form submitted by each bidder.

For purposes of the "hold the price" or "follow the price" requirement described below, a "maturity" refers to Notes that have the same interest rate, credit and payment terms.

(1) Hold the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) Follow the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as

a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the District information regarding the actual prices at which at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,

(c) will provide the District with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that 10 percent of each maturity of the Notes has been sold to the public, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice, the "public" does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any "derivative products" (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw its proposal until two hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal.

The Notes will be delivered in book-entry-only form, at no cost to the purchaser(s), in Jersey City, New Jersey through the facilities of DTC, or otherwise as may be agreed with the purchaser(s), at the option of the purchaser(s), in non-book-entry form on May 5, 2019. At such time, the purchase price of said Notes, in accordance with the successful purchaser's bid, shall be paid in FEDERAL FUNDS or other funds available for immediate credit.

CUSIP identification numbers will be printed on the Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Each successful bidder will be furnished without cost with the approving opinion of the law firm of Barclay Damon LLP, Albany, New York, ("Bond Counsel") to the effect that the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* real estate taxes to pay the Notes and the interest thereon without limitation of rate or amount. The opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, (b) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement of the District relating to the Notes, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which have

been or may be furnished or disclosed to purchasers of the Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

In the opinion of Bond Counsel, under existing law, (A) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code except that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to Federal income taxation from the date of issuance thereof; and (B) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Notes are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Certificate, that, to maintain the exclusion of interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

For other tax consequences arising from the ownership of the Notes, see "TAX EXEMPTION" in the Official Statement.

The Notes **will NOT be** designated by the District as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

Any successful bidder may at its option refuse to accept the Notes if prior to their delivery the Tax Certificate as to Arbitrage and Use of Proceeds (the "Certificate") in form and tenor satisfactory to Bond Counsel is not delivered or, if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date for federal income tax purposes, and in any such case such bidder will be relieved from its contractual obligation arising from the acceptance of its proposal.

The District will provide a reasonable number of Official Statements to each successful bidder within five (5) business days following receipt of a written request therefor made to the District and its Municipal Advisor. Such request may specify the applicable (a) offering price(s), (b) selling compensation, (c) rating(s), (d) credit enhancement, and (e) identity and complete name of such bidder and any participating underwriters, and if so, the Official Statement will be modified or supplemented by the information so specified. Neither the District nor its Municipal Advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of any successful bidder with respect to such request, nor shall the District's failure, as a result thereof, to provide the Official Statement (whether or not modified or supplemented) within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Notes in accordance with the terms hereof.

The Official Statement is in a form "deemed final" by the District for purposes of the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"). In order to assist bidders in complying with Rule 15c2-12 and as part of the District's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the Notes the District will provide an executed copy of its "Undertaking to Provide Notices of Events." Said undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Notes, to provide to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, notice of the occurrence of certain events, as enumerated in said Rule 15c2-12.

The obligations hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the availability to each successful bidder at the time of delivery of the Notes of said approving opinion; of certificates in form and tenor satisfactory to said law firm evidencing the proper execution and delivery of the Notes and receipt of payment

therefor and including a statement, dated as of the date of delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Notes; and of the several certificates as described in the Official Statement under the heading "Documents Accompanying Delivery of the Notes."

Copies of the Notice of Sale and the Official Statement may be obtained from the offices of Capital Markets Advisors, LLC, telephone number (716) 662-3910.

GALWAY CENTRAL SCHOOL DISTRICT

/s/ Jay Anderson _____

Jay Anderson

President of the Board of Education

Dated: April 5, 2019

PROPOSAL FOR NOTES

Mr. Jay Anderson
President of the Board of Education
Galway Central School District
c/o Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, NY 14127

April 18, 2019

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

**GALWAY CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK**

\$26,100,000 BOND ANTICIPATION NOTES, 2019 (the "Notes")

DATED: May 1, 2019

MATURITY: April 30, 2020

| <i>Principal Amount</i> | <i>Interest Rate</i> | <i>Premium</i> | <i>Net Interest Cost</i> |
|-------------------------|----------------------|----------------|--------------------------|
| \$ | % | \$ | % |
| \$ | | | |
| \$ | | | |

Signature: _____

Name of Bidder: _____

Address of Bidder: _____

Telephone Contact of Bidder (Include Area Code): _____

Facsimile Contact of Bidder (Include Area Code): _____

Email Address of Bidder: _____

Please select one of the following:
 Registered in Name of Bidder
 Book-Entry/DTC

BID FORM CONTINUES BELOW

A) TO BE COMPLETED BY UNDERWRITERS:

The Bidder represents that it has an established industry reputation for underwriting new issuances of municipal notes similar to the Notes.

YES ___ NO___

If the Competitive Sale Requirements are not met, the Bidder will use one or more of the following methods to determine the issue price of the Notes:

Select one (if none are selected, then the method shall be assumed to be Follow the Price for each maturity with at least 10% sold on the Sale Date at the Initial Reoffering Price and Hold the Price for all unsold maturities)

___ Follow the Price for all maturities; or

___ Hold the Price for all maturities; or

___ Follow the Price for each maturity with at least 10% sold on the Sale Date at the Initial Reoffering Price and Hold the Price Rule for all other maturities

B) TO BE COMPLETED BY BIDDERS WHO ARE PURCHASING NOTES FOR THEIR OWN ACCOUNT

The Bidder is not acting as an underwriter with respect to the Notes or is not a related party to an underwriter with respect to the Notes and has no present intention to sell, reoffer or otherwise dispose of the Notes.

YES ___ NO___