

**HARRISON CENTRAL SCHOOL DISTRICT,
IN THE COUNTY OF WESTCHESTER, NEW YORK**

NOTICE OF \$19,380,000 BOND SALE

SEALED PROPOSALS will be received by the President of the Board of Education, Harrison Central School District (the “District”), Westchester County, New York, at the offices of Munistat Services, Inc. (the “Municipal Advisor”), 12 Roosevelt Avenue, Port Jefferson Station, New York (Telephone No. 631-331-8888, Fax No. 631-331-8834), on **Wednesday, January 9, 2019**, until 11:00 A.M. (Prevailing Time) via iPreo’s Parity Electronic Bid Submission System (“Parity”) or by facsimile transmission, at which time they will be publicly opened and announced, for the purchase of **\$19,380,000 SCHOOL DISTRICT SERIAL BONDS-2019** (the “Bonds”), maturing on September 15, in annual principal installments as shown below which, together with interest thereon, are expected to effectuate and provide for substantially level or declining annual debt service.

Delivery and Payment Dates for the Bonds

The Bonds will be dated the date of their delivery, which is expected to be January 17, 2019, and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable September 15, 2019, and semiannually thereafter on March 15 and September 15 in each year to maturity.

<u>Date of Maturity</u>	<u>Principal Amount *</u>	<u>Date of Maturity</u>	<u>Principal Amount *</u>
2019	\$235,000	2034	\$ 625,000
2020	365,000	2035	650,000
2021	380,000	2036	680,000
2022	395,000	2037	705,000
2023	410,000	2038	730,000
2024	425,000	2039	760,000
2025	445,000	2040	790,000
2026	460,000	2041	820,000
2027	480,000	2042	855,000
2028	500,000	2043	885,000
2029	515,000	2044	920,000
2030	540,000	2045	960,000
2031	560,000	2046	995,000
2032	580,000	2047	1,035,000
2033	605,000	2048	1,075,000

**** Post-sale Adjustment of Par Amount of the Bonds***

The annual maturities of the Bonds may be adjusted for the purpose of attaining debt service that is substantially level or declining, as provided pursuant to Section 21.00(d) of the New York State Local Finance Law (the “Law”). Such adjustments will be made by 3:00 P.M. (Prevailing Time) on the day of the bid opening. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid adjustment. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.

Changes to the Time and/or Date of Bid Opening

The District reserves the right to change the time and/or date of the bid opening, and notice of any change thereof shall be provided at least one (1) hour prior to the time set forth above for the opening of sealed proposals, by means of a supplemental notice of sale to be transmitted over the Thomson Municipal Newswire.

Optional Redemption for the Bonds

The Bonds maturing on or before September 15, 2026, are not subject to prior redemption. The Bonds maturing on or after September 15, 2027, will be subject to redemption prior to maturity at the option of the District on any date on or after September 15, 2026, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered owner not less than thirty (30) days nor more than sixty (60) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption, set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Form of Bonds

The Bonds will be issued in the form of fully registered bonds, in denominations corresponding to the total principal amounts due in each year of maturity. As a condition to delivery of the Bonds, the successful bidder will be required to cause the Bond certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers,

and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds will be payable by the District or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Submission of Bids

Each proposal must be a bid of not less than \$19,380,000 for all of the Bonds and the maximum premium bid by any bidder for the Bonds shall be \$600,000. Each proposal must state in a multiple of one-hundredth of 1% or a multiple of one-eighth of 1%, the rate or rates of interest per annum which the Bonds are to bear and may state different rates of interest for Bonds maturing in different calendar years, provided, however, that (i) only one rate of interest may be bid for all Bonds maturing in any one calendar year, and (ii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on Bonds maturing in any particular calendar year shall not be less than the rate of interest applicable to Bonds maturing in any prior calendar year.

Sealed proposals may be submitted electronically via Parity or via facsimile transmission at 631-331-8834, in accordance with this Notice of Sale, until the time specified herein. No other form of electronic bidding services nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Bidders submitting proposals via facsimile must use the "Proposal for Bonds" form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided.

Bidding using Parity

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the District that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Each prospective bidder who wishes to submit an electronic bid shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the District nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Bonds. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Bonds, it should telephone Parity and notify the District's Municipal Advisor, Munistat Services, Inc. at 631-331-8888 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Bidders submitting bids via facsimile do not need to register to bid.

Good Faith Deposit

As a condition precedent to the consideration of the bidder's proposal, a good faith deposit (the "Deposit") in the amount of \$193,800 is required for each bid to be considered. Such Deposit may be in the form of: (i) a certified or cashier's check payable to the order of "Harrison Central School District, County of Westchester, New York," or (ii) a wire transfer in accordance with instructions set forth herein. If a wire transfer is used, it must be sent to the account so designated by the District for such purpose, not later than 10:00 A.M. on the date of the sale; however, the District reserves the right to award the Bonds to a successful bidder whose wire transfer is initiated but not received by such time provided that such successful bidder's fed wire reference number has been received. A wire reference number must be provided when the bid is submitted. Bidders must contact Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, 11776 telephone No. 631-331-8888, the District's Municipal Advisor, no later than 24 hours prior to the bid opening to obtain the District's wire instructions. The District shall not incur any liability from delays of or interruptions in the receipt of the Deposit by fed wire or return of the Deposit to any unsuccessful bidder. Under no circumstances shall interest accrue on the Deposit occasioned by a delay in the return of the Deposit to any unsuccessful bidder. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds.

Award of Bonds

The Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase such issue of Bonds at such rate or rates of interest per annum as will produce the lowest true interest cost over the life of such issue and, if two or more such bidders offer the same lowest true interest cost, then to one of said bidders selected by the Sale Officer by lot from among all said bidders. True interest cost shall be determined for each bid by doubling the semi-annual interest rate, compounded semiannually, necessary to discount all interest and principal payments from the payment dates thereof to the dated date of the Bonds, so that the sum of the present value of said payments equals the price bid, such price bid excluding interest accrued to the date of delivery. The true interest cost shall be calculated from the dated date of the bonds. The successful bidder must also pay an amount equal to the interest on the Bonds, if any, accrued to the date of payment of the purchase price.

Award of the Bonds will be made without taking into consideration any adjustment to be made to the principal amount of the Bonds described herein.

The District reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

When the successful bidder has been ascertained, the Sale Officer will promptly return all Deposits made to the persons making the same, except the deposit made by such bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw his proposal until after 3:00 o'clock P.M. (Prevailing Time) on the day of such bid-opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the District as liquidated damages for such neglect or refusal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with the terms hereof.

Use of Proceeds

The proceeds of the Bonds will be used to provide additional original financing for the construction of additions and infrastructure and other improvements and alterations district school buildings and sites.

Payment and Security for the Bonds

The Bonds are general obligations of the District and shall contain a pledge of the faith and credit of the District for the payment of the principal thereof. There is no limitation, either as to rate or amount, upon ad valorem taxes upon taxable real property in the District which may be required to pay the Bonds and the interest thereon. The State Constitution requires the District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes, and also that the fiscal officer of the District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Upon default in the payment of principal of or interest on the Bonds or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Bonds and said other obligations.

Debt Statement filed with the State Comptroller

The population of the District is estimated to be 28,082. The debt statement to be filed pursuant to Section 109.00 of the Law in connection with the sale of the Bonds, prepared as of December 27, 2018, will show the full valuation of real property subject to taxation by the District to be \$8,358,584,056, its debt limit to be \$835,858,406, and its total net indebtedness (inclusive of the Bonds) to be \$41,960,000. The calculation of such net indebtedness has not taken into account any deductions therefrom of any apportionment of State aid for debt service for school building purposes to which the District may be entitled.

Delivery of the Bonds and Assignment of CUSIP Numbers

The Bonds will be delivered to DTC and shall be paid for in Federal Funds on or about January 17, 2019 at such place in New York City, and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the District will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and to supply them to the District in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds 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 successful bidder.

Legal Opinion

The successful bidder will be furnished without cost with the approving opinion of the law firm of Hawkins Delafield & Wood LLP (“Bond Counsel”) substantially as set forth in Appendix C to the Preliminary Official Statement dated December 27, 2018 (the “Preliminary Official Statement”) circulated in connection with the sale of the Bonds, which shall be supplemented by the final official statement to be dated January 9, 2019 (the “Official Statement”).

Tax Exemption

The successful bidder may at its option refuse to accept the Bonds if prior to their delivery the opinion of 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 such case the deposit made by it will be returned and it will be relieved of its contractual obligations arising from the acceptance of its proposal.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. Concurrently with the delivery of the Bonds, the District will execute a Tax Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code.

Upon delivery of the Bonds, Bond Counsel will deliver an opinion that states that, under existing statutes and court decisions and assuming continuing compliance with the provisions and procedures set forth in the Tax Certificate, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, the opinion of Bond Counsel will state that, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

Obligation of Winning Bidder to Deliver an Issue Price Certificate at Closing

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, 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 Bonds 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 Bonds. **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 Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Bonds (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 Bonds 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. In the event a bidder submits a bid via Parity, such bidder must notify the Municipal Advisor by email (nnadelson@munistat.com) as to such election at the time such bid is submitted.*

(1) **Hold the Price.** The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds 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 Bonds 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 Bonds 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 Bonds, 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 Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds 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 Bonds 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 Issuer information regarding the first price at which at least 10 percent of the Bonds within each maturity of the Bonds have been sold to the public,

(c) will provide the Issuer 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 Bonds, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Bonds is satisfied, 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 Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds.

Official Statement, Continuing Disclosure and Compliance History

The District will provide a reasonable number of Official Statements to the 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 Preliminary 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 the successful bidder with respect to such request, nor shall the District's failure, as a result thereof, to provide the Official Statement within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Bonds in accordance with the terms hereof.

The Preliminary Official Statement is in a form "deemed final" by the District for the purpose of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12") but may be modified or supplemented as noted above. 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 each successful bidder's proposal, at the time of the delivery of the Bonds the District will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). The form of said Undertaking is set forth in Appendix D in the Preliminary Official Statement.

Except as otherwise set forth in the Preliminary Official Statement (see the caption entitled "DISCLOSURE UNDERTAKING"), the District is in compliance in all material respects with all previous undertakings made pursuant to Rule 15c2-12 during each of the past five years.

Documents Accompanying the Delivery of the Bonds

The obligation hereunder to deliver or accept the Bonds pursuant hereto shall be conditioned on the delivery to the successful bidder at the time of delivery of the Bonds of: (i) the opinion of Bond Counsel; (ii) a certificate of the School Attorney, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in the Official Statement; (iii) a certificate of the President of the Board of Education to the effect that as of the date of the Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the District since the date of the Official Statement

to the date of issuance of the Bonds (and having attached thereto a copy of the Official Statement); (iv) a certificate signed by the President of the Board of Education evidencing payment for the Bonds; (v) a signature certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded, and (vi) a Tax Certificate executed by the President of the Board of Education, as described under "TAX MATTERS" in the Preliminary Official Statement.

Additional Information

Copies of this Notice of Sale and the Preliminary Official Statement are available in electronic format on the website of the District's Municipal Advisor, Munistat Services, Inc. ("www.munistat.com ") or may be obtained upon request from the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone no. 631-331-8888.

Dated: December 27, 2018

Kelly Mulvoy Mangan
President of the Board of Education
and Chief Fiscal Officer

PROPOSAL FOR BONDS

January 9, 2019

Kelly Mulvoy Mangan, President of the Board of Education
Harrison Central School District
c/o Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776

Facsimile: 631-331-8834

Dear Ms. Mangan:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated December 27, 2018, which is hereby made a part of this Proposal, we offer to purchase all of the \$19,380,000 School District Serial Bonds-2019 of the Harrison Central School District, New York, described in said Notice of Sale, and to pay therefor the price of \$19,380,000 plus a premium of \$_____ (not exceeding \$600,000), plus interest, if any, accrued on said Bonds from their date to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Table with 2 columns: Bonds maturing in the year (2019-2033) and Bonds maturing in the year (2034-2048). Each entry includes a blank line for the interest rate percentage.

Deposit Requirement – Please check one of the following:

- Two checkboxes: 1. We enclose herewith a certified or cashier's check in the sum of \$193,800, made payable to the order of the Harrison Central School District, Westchester County, New York. 2. We sent a fed wire transfer of \$193,800 to the account of the District designated for such purpose in accordance with the Notice of Sale and instructions provided by the District's Municipal Advisor. The fed wire confirmation number is _____ at _____.

The Deposit will be returned to the undersigned if the bid is not accepted. If this bid is accepted said Deposit will be applied as part payment for the Bonds or retained by the District as and for liquidated damages in case the undersigned should not take up and pay for the Bonds in accordance with the terms of this Proposal.

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing Proposal for the purchase of \$19,380,000 bonds under the foregoing Proposal:

Calculation table: Par Amount of the Bonds \$_____, Add: Premium (not exceeding \$600,000) \$_____, Target Value for Calculation \$_____, True Interest Rate _____% (four decimals).

BID PROPOSAL FORM CONTINUED ON NEXT PAGE

Please check one of the following:

We are purchasing the Bonds for our own account and not with a view to distribution or resale to the public.

- or -

In the event the Competitive Sale Requirements are not met, we hereby elect to

Hold the Price

Follow the Price

Firm: _____

By: _____

Telephone () _____ - _____

Facsimile () _____ - _____

Email: _____

Hawkins Delafield & Wood LLP
7 World Trade Center
New York, New York 10005

January 17, 2019

The Board of Education of
Harrison Central School District, in the
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Harrison Central School District (the “School District”), in the County of Westchester, New York, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale, and issuance of the \$19,380,000 School District Serial Bonds-2019 (the “Bonds”), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Bonds for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may

cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the School District will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof, or otherwise, that may hereafter be enacted, arise or occur, and we note that such changes may take place or be proposed from time to time. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel as to the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax laws.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement or Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Harrison Central School District**, in the County of Westchester, a school district of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$19,380,000 School District Serial Bonds-2019**, dated January 17, 2019, maturing in various principal amounts on September 15 in each of the years 2019 to 2048, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

- (i) not later than the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2019, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending June 30, 2019, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination

that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a

court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District", "Economic and Demographic Information", "Indebtedness of the District", "Finances of the District", "Tax Information" and "Litigation", and in Appendix A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting

principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with subsection (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers,

consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **January 17, 2019**.

HARRISON CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education