

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 26, 2010
(Bonds to be sold September 2, 2010 at 12:00 P.M. E.D.T.)

In the opinion of Bond Counsel, subject to the conditions set forth in "Tax Exemption" herein, under existing laws, interest on the Bonds is excluded from gross income for federal and Kentucky income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. Bond Counsel is further of the opinion that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and its political subdivisions. See "Tax Exemption" herein.

**NEW ISSUE
BANK QUALIFIED**

**RATING: " " Moody's
(See "Rating" Herein)**

\$5,725,000*
CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS
SERIES 2010

Dated: Date of Issuance

**Bonds Due: January 1, 2011
Then July 1, 2011-2021**

The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, has been designated as Paying Agent and Bond Registrar. If the Bonds are issued in book-entry form (see "Book Entry and DTC"), the Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Accordingly, principal and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky as Paying Agent and Registrar, directly to DTC or Cede & Co., its nominee. DTC will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Bonds. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof, and will bear interest payable on January 1, 2011 and thereafter semiannually on each July 1 and January 1. The Bonds will mature in the respective years as shown below.

<u>Cusip#</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>Cusip#</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>
170704--	1/1/11	\$ 45,000	%	%	170704--	7/1/16	\$490,000	%	%
170704--	7/1/11	80,000			170704--	7/1/17	490,000		
170704--	7/1/12	80,000			170704--	7/1/18	795,000		
170704--	7/1/13	435,000			170704--	7/1/19	815,000		
170704--	7/1/14	435,000			170704--	7/1/20	840,000		
170704--	7/1/15	465,000			170704--	7/1/21	755,000		

The Bonds are NOT subject to optional redemption prior to their stated maturities.

The Bonds are offered, subject to prior sale, when, as and if issued by the Corporation, subject to prior approval of legality by Rubin & Hays, Louisville, Kentucky, Bond Counsel. Delivery of the Bonds is expected on or about September 23, 2010.

*Preliminary, subject to adjustment

J.J.B. HILLIARD, W.L. LYONS, LLC
Louisville, Kentucky
Fiscal Agent

This Preliminary Official Statement has been prepared for submission to prospective bidders for the bonds herein described and is in a form "deemed final" by the Corporation for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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**CHRISTIAN COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Corporation Officers

Barry D. Cornelius - Director and President
Darryl C. Lynch – Director and Vice President
Brady Link - Secretary
Sheila Cottrell - Director
Mary DeBow - Director
Linda Keller - Director

CHRISTIAN COUNTY BOARD OF EDUCATION

Board Members

Barry D. Cornelius - Chairperson
Darryl C. Lynch - Vice Chairperson
Rim Watson - Treasurer
Sheila Cottrell
Mary DeBow
Linda Keller

Brady Link - Superintendent

BOND COUNSEL

Rubin & Hays
Louisville, Kentucky

FISCAL AGENT

J.J.B. Hilliard, W.L. Lyons, LLC
Louisville, Kentucky

REGISTRAR/PAYING AGENT BANK

The Bank of New York Mellon Trust Company, N.A.
Louisville, Kentucky

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Christian County School District Finance Corporation or the Christian County Board of Education identified on the cover page hereof. No person has been authorized by the Christian County School District Finance Corporation or the Christian County Board of Education to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized by the Christian County School District Finance Corporation or the Christian County Board of Education or the Fiscal Agent. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Christian County School District Finance Corporation or the Christian County Board of Education since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Christian County School District Finance Corporation or the Christian County Board of Education, will pass upon the accuracy or adequacy of this Official Statement or approve the Bonds for sale.

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\$5,725,000*
CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS
SERIES 2010

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, is furnished in connection with the offering of \$5,725,000* in principal amount of Christian County School District Finance Corporation School Building School Building Refunding Revenue Bonds, Series 2010 (the "Bonds") of the Christian County School District Finance Corporation (the "Corporation"). The Bonds will be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky including, among others, Section 162.120 through 162.300, 162.385 and Section 58.010 through 58.140 and 58.180 of the Kentucky Revised Statutes (the "KRS"). The Bonds will be issued in accordance with a resolution (the "Resolution") adopted by the Corporation.

BOOK ENTRY AND DTC

The following information regarding DTC and Cede and Co. will be applicable to the Bonds as long as a book entry system is utilized. The Corporation does not assume any responsibility for the accuracy or completeness of the information set forth under this caption "Book Entry", and the Corporation is not required to supervise, and will not supervise, the operation of the book entry system described herein.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

*Preliminary, subject to adjustment

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent or Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Corporation or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Corporation or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

THE BONDS

The Bonds will be dated the date of issuance, will be issued in the principal amount of \$5,725,000* in fully registered form and in denominations of \$5,000 or any integral multiples thereof, will mature as to principal on January 1, 2011 and July 1, 2011, and thereafter on July 1 in the years 2012 through 2021, inclusive, and will bear interest as set forth on the cover page of this Official Statement.

*Preliminary, subject to adjustment

The Bonds are NOT subject to optional redemption prior to their stated maturities.

Not less than thirty days before the redemption date of any Bonds, the Paying Agent and Bond Registrar is required to cause a notice of redemption to be mailed postage prepaid by regular United States mail to all Registered Owners of Bonds to be redeemed in whole or in part at their registered addresses. Failure to mail any notice or any defect in any notice with respect to any Bonds shall not affect the validity of the redemption of any other Bonds. Such redemption notice must set forth the details with respect to the redemption.

Interest accruing on the Bonds will be payable semiannually on January 1 and July 1 of each year (commencing January 1, 2011) from the date of issuance, or the most recent interest payment date to which interest has been paid or duly provided for. The interest installment on each Bond will be paid to the person who is the Registered Owner thereof as of the close of business on the Record Date for such interest installment, which Record Date will be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Payment of interest will be made by check or draft mailed to the person who is the Registered Owner on the applicable Record Date at the address of such Registered Owner as it appears on the books of the Paying Agent and Bond Registrar. Principal will be paid when due upon delivery of the Bond for payment at the principal office of the Paying Agent and Bond Registrar.

The Bonds are transferable upon presentation and surrender thereof to the Paying Agent and Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative. The Paying Agent and Bond Registrar will not be obligated to transfer or exchange any Bond a) during any period beginning five days prior to the selection by the Paying Agent and Bond Registrar of Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption or, b) if such Bond has been selected or called for redemption in whole or in part.

CHRISTIAN COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION

The Corporation has been formed in accordance with the provisions of KRS Sections 162.120 through 162.300 and Section 162.385, and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board of Education of the Christian County School District (the "Board"). Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes.

The Board of Directors of the Corporation is made up of the incumbent members of the Board.

SECURITY FOR THE BONDS

The Bonds are being issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.120 through 162.300, 162.385, and Section 58.180 of the Kentucky Revised Statutes, within the meaning of the decision of the Court of Appeals of Kentucky (Supreme Court) in the case of Hemlepp v. Aronberg, 369 S.W.2d 121, for the purpose of providing funds to pay the costs, not otherwise provided, of refunding through escrow and defeasing the Christian County School District Finance Corporation School Building Revenue Bonds, Series 2001, dated July 1, 2001, scheduled to mature on and after July 1, 2013 (the "Prior Bonds"), through the deposit in escrow of funds and government obligations sufficient to pay the interest due on said Prior Bonds on July 1, 2011, and to redeem the Prior Bonds on July 1, 2011, at a redemption price of 101% of the principal amount redeemed.

The Bonds will constitute a limited indebtedness of the Corporation and will be payable as to both principal and interest solely from the income and revenues of the Project financed from the proceeds of the Prior Issue. The Refunding Bonds are secured by statutory mortgage lien upon and pledge of the revenues derived from the rental of the Project to the Board under a Contract, Lease and Option dated as of September 23, 2010 (the "2010 Lease").

Under the 2010 Lease the Board has leased the school property securing the Refunding Bonds in accordance with the provisions of KRS 162.140 for an initial period from September 23, 2010 through June 30, 2011, with the option in the Board to renew said 2010 Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rentals due under the 2010 Lease, the principal and interest on all of the Refunding Bonds as same become due.

In addition, the 2010 Lease provides that the Prior Lease will be canceled as to the Prior Bonds effective upon the sale and delivery of the Refunding Bonds. The 2010 Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the 2010 Lease until July 1, 2021, the final maturity date of the Refunding Bonds, and such annual rentals shall be deposited as received in the Bond Fund for the Refunding Bonds and used and applied for the payment of all maturing principal of and interest on the Refunding Bonds.

Under the terms of the Lease, and any renewal thereof, the Board has agreed so long as the Bonds remain outstanding, and in conformance with the intent and purpose of Section 157.627(5) of the Act and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the Lease, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said rentals when due, the Board has granted under the terms of the Lease and Participation Agreement to the Corporation and the Commission the right to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals.

The right has been reserved in the Corporation to obtain the release of the lien and pledge on any of the sites of the Project by providing for the retirement of the same proportionate amount of Refunding Bonds then outstanding as was allocated to the site for which the release is sought.

BIENNIAL BUDGET 2010-2012

Following its failure to adopt the required Biennial Budget for the Commonwealth during the Regular Session adjourning April 15, 2010, the Kentucky General Assembly was convened in Extraordinary Session on May 24, 2010, and adopted a budget on May 28, 2010, which has been approved by the Governor.

THE REFUNDING PLAN

The Refunding Bonds are also being issued for the purpose of advance refunding through the deposit in escrow (the "2010 Escrow Fund") and investment in U.S. Obligations, or Certificates of Deposit at FDIC banks fully collateralized by said U.S. Obligations of sufficient funds to pay the interest requirements due and payable through July 1, 2011 on the Prior Bonds. On July 1, 2011, the outstanding Prior Bonds will be redeemed along with the required redemption premium of 101%. The refunding plan is being undertaken in order to obtain debt service savings.

The Series 2001 Bonds are scheduled to be paid and redeemed as follows:

1. \$650,000 of the outstanding Bonds scheduled to mature on July 1, 2011 and July 1, 2012 will be paid as and when due from funds of the school district;
2. \$5,295,000 of Prior Bonds scheduled to mature on and after July 1, 2013, will be called for redemption on July 1, 2011, the earliest date on which the Series 2001 Bonds are subject to redemption prior to maturity at a redemption price of 101% for a redemption premium of \$52,950.

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The estimated sources and uses of funds for the refunding plan are as follows:

Sources of Funds*

Par Amount of Bonds:		
SFCC Bonds	\$3,222,972	
Local Bonds	<u>2,502,028</u>	
Total Par Amount of Bonds		<u>\$5,725,000</u>
Total Sources		<u>\$5,725,000</u>

Uses of Funds*

Deposit to Escrow Fund	\$5,583,797
Total Underwriter's Discount (@ 1.50%)	85,875
Costs of Issuance & Surplus Funds	<u>55,328</u>
Total Uses	<u>\$5,725,000</u>

*Preliminary, subject to adjustment

DISPOSITION OF BOND PROCEEDS

The Bond proceeds will be applied as follows:

- (a) There shall be paid any and all expenses incident to the issuance, sale and delivery of the Bonds, including the fees of the Fiscal Agent, the rating fee and such other appropriate expenses as may be approved by the Corporation and Board.
- (b) The balance of the proceeds will be deposited to the "Christian County School District Finance Corporation School Building Revenue Bonds, Series 2001 Escrow Fund" (the "2001 Escrow Fund"), which is held at The Bank of New York Mellon Trust Co., N.A., Louisville, Kentucky (the "Escrow Agent").

MISCELLANEOUS RESOLUTION AND LEASE PROVISIONS

In the Resolution the Corporation has reserved the right to make provision for discharge of the pledges and liens securing the Bonds by depositing in or for the credit of the Bond Fund moneys sufficient to pay the principal, premium and interest requirements on the Bonds to a certain date of redemption or to the date of maturity, or by depositing in the Bond Fund obligations of the United States Government which, together with earnings thereon, will produce such amounts for payment of the Bonds.

The Resolution and the Lease contain tax covenants, representations and warranties to the effect that the Corporation and the Board are in compliance with, and will comply with, the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code"), so that the Bonds will not become "arbitrage bonds" within the meaning of the Code.

STATE SUPPORT OF EDUCATION

The 1990 Regular Session of the General Assembly of the Commonwealth enacted a comprehensive legislative package known as the Kentucky Education Reform Act ("KERA") designed to comply with the mandate of the Kentucky Supreme Court that the General Assembly provide for an efficient and equitable system of schools throughout the State.

KERA became fully effective on July 13, 1990. Elementary and Secondary Education in the Commonwealth is supervised by the Commissioner of Education as the Chief Executive Officer of the State Department of Education ("DOE"), an appointee of the reconstituted Kentucky Board of Education (the "State Board"). Some salient features of KERA are as follows:

KRS 157.330 establishes the fund to Support Education Excellence in Kentucky ("SEEK") funded from biennial appropriations from the General Assembly for distribution to school districts. The base funding level guaranteed to each school district by SEEK for operating and capital expenditures is determined in each fiscal year by dividing the total annual SEEK appropriations by the statewide total of pupils in average daily attendance ("ADA") in the preceding fiscal year; the ADA for each district is subject to adjustment to reflect the number of at risk students

(approved for free lunch programs under state and federal guidelines), numbers and types of exceptional children, and transportation costs.

KRS 157.440(2) provides that for fiscal years beginning July 1, 1990 each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by SEEK. Any increase beyond the 4% annual limitation imposed by KRS 132.017 ("House Bill 44") is not subject to the recall provisions of that Section. Revenue generated by the 15% levy is to be equalized at 150% of the state-wide average per pupil equalized assessment.

KRS 157.440(2) permits school districts to levy up to 30% of the revenue guaranteed by the SEEK program, plus the revenue produced by the 15% levy, but said additional tax will not be equalized with state funds and will be subject to recall by a simple majority of those voting on the question.

KRS 157.620(1) also provides that in order to be eligible for participation from the Commission for debt service on bond issues the district must levy a tax which will produce revenues equivalent to \$.05 per \$100 of the total assessed value of all property in the district (including tangible and intangible property and motor vehicles) in addition to the minimum \$.30 levy. A district having a special voted tax which is equal to or higher than the required \$.05 tax, must commit and segregate for capital purposes at least an amount equal to the required \$.05 tax. Those districts which levy the additional \$.05 tax are also eligible for participation in the Facilities Support Program of Kentucky ("FSPK") for which funds are appropriated separately from SEEK funds and are distributed to districts in accordance with a formula taking into account outstanding debt and funds available for payment from both local and state sources.

KRS 160.460 provides that as of July 1, 1994 all real property located in the Commonwealth subject to local taxation shall be assessed at 100% of fair cash value.

KRS 156.029 provides for the establishment of the State Board for Elementary and Secondary Education consisting of eleven members appointed by the Governor and confirmed by the Senate and House of Representatives of the Kentucky General Assembly. Seven members shall represent each of the Supreme Court districts throughout the Commonwealth and four members shall represent the state at large.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

Pursuant to the provisions of KRS 160.470, it is provided that a local school district budget failing to provide payments for rentals in connection with outstanding revenue bonds for school purposes shall be disapproved. State Department of Education approval of a bond issue and its associated financial, educational and construction plans, is required prior to its issuance and will have been received prior to the sale of this issue. State supervision also extends to other areas of local school finance, including supervision of general operations such as the examination of business methods and accounts of a school district, requirements of prompt, detailed reports of receipts and expenditure and the annual approval of an operating budget as a prerequisite to such operation. All local boards who have entered into contracts for the issuance of bonds must arrange for insurance protection in an amount equal to the full insurable value of the buildings or to the continuous retention of such insurance. This State Department of Education supervision and control is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in payment of its revenue bonds for school purposes.

THE STATE DEPARTMENT OF EDUCATION HAS ADOPTED A POLICY WHICH REQUIRES THAT ANNUAL BUDGETS OF LOCAL SCHOOL BOARDS PROVIDE FOR RENTAL PAYMENTS FOR DEBT SERVICE IN ORDER FOR SUCH BUDGETS TO BE APPROVED BY SAID DEPARTMENT.

REVENUE SOURCES WITHIN THE CHRISTIAN COUNTY SCHOOL DISTRICT

Capital Outlay Allotment

Kentucky's SEEK Capital Outlay Program provides for the annual payment to all districts for capital construction or acquisition. Funds from the Capital Outlay Allotment are not directly pledged for debt service, but as a practical matter, and to the extent needed, have been and will continue to be applied to debt service through rental payments on the lease agreement.

The State establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil of the SEEK allotment for the current biennium which is required to be segregated into the Capital Outlay Allotment Fund which may be used only for (1) direct payment of construction costs; (2) debt

service on voted and funding bonds; (3) lease rental payments in support of bond issues; (4) reduction of deficits resulting from over expenditures for emergency capital construction; and (5) a reserve for each of the categories enumerated in 1 through 4 above.

The Capital Outlay Allotment to the District for the most recent four year period can be found in **APPENDIX A**.

General Property and Motor Vehicle Tax

The Board levies a tax at a rate per \$100 on real estate, personal property and motor vehicles. See **APPENDIX A** for the most recent five year period of rates assessed.

SEEK Program Fund

The SEEK Program Fund allocates biennial appropriations from the General Assembly to each Kentucky school district. The base level is determined for each fiscal year by dividing the total SEEK appropriation by the statewide total of pupils in average daily attendance. Each district's share of the SEEK Program is subject to adjustment to reflect several factors. See "STATE SUPPORT OF EDUCATION" for more details.

See **APPENDIX A** for a recent history of the SEEK Program Fund appropriations to the District.

FSPK Program

The FSPK Program provides funds for districts to support debt service and capital expenditures. The amount of FSPK funds each district receives is based on a funding formula that takes into consideration a district's average daily attendance and the amount of local revenue generated on a district's tax base relative to a statewide average assessment.

TAX BASE INFORMATION

Homestead Exemption

Section 170 of the Kentucky Constitution was amended by the voters of the Commonwealth of Kentucky at the General Election held November 2, 1971, to exempt from property taxes the first \$6,500 of single-unit residential property of taxpayers 65 years of age or older. Following that election, the 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues through increases in taxes on non-exempt property by amounts equivalent to the revenues lost through application of this homestead exemption. In subsequent sessions of the General Assembly the "single-unit" qualification has been enlarged so as to provide for the exemption to apply to real property "held by legal or equitable title, by the entireties, jointly, in common, as a condominium" maintained as the permanent residence of the owner; and that the \$6,500 exemption "shall be construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as one (1) percent, the maximum exemption shall be adjusted accordingly." In fiscal year 2010-11, approximately \$138,749,791 of such property was exempt from property taxes in the District. The local general property tax rate on non-exempt property has been adjusted so as to recover tax revenues equivalent to the revenues lost through application of the homestead exemption. The amount of the individual exemption as of January 1, 2010 was \$33,700.

Limitation on Taxation

The 1990 Regular Session of the Kentucky General Assembly in enacting the "KERA" legislative package amended the provisions of KRS 160.470 which prohibited school districts from levying ad valorem property taxes which would generate revenues in excess of 4% of the previous year's revenues without said levy being subject to recall, to permit exception to the referendum under (1) KRS 160.470(12) (a new section of the statute) and (2) and amended KRS 157.440.

Under KRS 160.470(12)(a) for fiscal years beginning July 1, 1990 school districts are permitted to levy a "minimum equivalent tax rate" of thirty cents (\$.30) for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including occupational or utilities) levied by the District for school purposes divided by the total assessed value of property plus the assessment of motor vehicles certified by the State Revenue Cabinet. Failure to levy the minimum equivalent rate subjects the board of the district to removal.

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(12)(a) which will produce up to 15% of those revenues guaranteed by the program to support education excellence in Kentucky. Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470.

Please see **APPENDIX A** for tax base data to include assessments and tax receipts.

TAX EXEMPTION

In the opinion of Rubin & Hays, Municipal Bond Counsel, Louisville, Kentucky, the principal of the Bonds is not subject to Kentucky ad valorem taxation and the interest on the Bonds is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and is not subject to Kentucky income taxation, subject to certain exceptions set out below. The legal opinion of Rubin & Hays is subject to the condition that the Corporation comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes, including the requirement as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds. The purchaser will be furnished said opinions, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Bonds.

In order to assure the purchasers of the Bonds that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation (subject to certain exceptions set out below), the Corporation has covenanted in its Resolution authorizing the Bonds that (1) the Corporation will take all actions necessary to comply with the provisions of the Code, (2) the Corporation will take no actions which will violate any of the provisions of the Code, or that would cause the Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become subject to federal income taxation, and that the Corporation will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds.

The Bonds are not "private activity bonds" within the meaning of the Code, and the Corporation has been advised by Bond Counsel, and therefore believes, that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Corporation, the Board, and all subordinate entities thereof, do not reasonably anticipate issuing qualified tax-exempt obligations during the calendar year in which the Bonds are being issued in excess of \$30,000,000, and, therefore, the Corporation has designated the Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b)(3) of the Code.

Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, except that in the case of a financial institution, within the meaning of Section 265(b)(5) of the Code, a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

The tax-exempt status of the Bonds is subject to the following exceptions:

1. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds.
2. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

3. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.
4. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds.

The Corporation has reserved the right to amend the Resolution authorizing the Bonds without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Bonds shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Corporation as part of the consideration for the purchase of the Bonds. To the extent that the Corporation obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in the Resolution authorizing the Bonds would not subject interest on the Bonds to federal income taxation or Kentucky income taxation, the Corporation is not required to comply with such covenants and requirements.

If, prior to the delivery of the Bonds, any event shall occur which alters the tax-exempt status of the Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Corporation, whereupon the amount of the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Bonds, including statements concerning the authority, purpose and security of such Bonds; but Bond Counsel has not reviewed any of the financial statements or calculations, such as debt service requirements, budget estimates, enrollment, capital outlay, estimated revenues, expenditures or other financial information in the Official Statement, and expresses no opinion thereon or assumes any responsibility in connection therewith.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Board and the Corporation, by the adoption of respective Resolutions, have designated the Bonds as "qualified tax-exempt obligations" within the meaning of the Code and certified that they do not reasonably anticipate that the total principal amount of tax-exempt obligations which will be issued by the Board or the Corporation during the calendar year ending December 31, 2010, will exceed \$30,000,000.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 and amended and interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the Daviess County School District Finance Corporation (the "Corporation") and the Board of Education of Christian County, Kentucky, (the "Board") have agreed to file or cause to be filed with the Municipal Securities Rulemaking Board (the "MSRB"), or any successor thereto for purposes of its Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission, audited financial statements prepared in accordance with the comprehensive cash basis of accounting prescribed by the Commonwealth of Kentucky whereby certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred, and financial information and operating data (commencing with the fiscal year ended June 30, 2011), and certain operating and financial information generally consistent with the information contained in **Appendix A**.

The Corporation and the Board have reserved the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Corporation and the Board; provided that the Corporation and the Board have agreed that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the MSRB, to each holder or beneficial owner of Bonds who makes request for such information.

The Corporation and the Board have agreed to file or cause to be filed, in a timely manner, with the MSRB through EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of bondholders;
- (h) Bond calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds;
- (k) rating changes; and
- (l) failure to provide annual financial information as required.

The Corporation and the Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if such other event is material with respect to the Bonds, but the Corporation and the Board have not undertaken to commit to provide any such notice of the occurrence of any material event except those events listed above.

As of the date of this Official Statement, the Corporation and the Board are in compliance with the reporting requirements of the Rule for all undertakings for which they are an "obligated person" as defined in the Rule.

The Corporation and the Board have reserved the right to terminate their obligation to provide annual financial information and notices of material events, as set forth above, if and when the Corporation and the Board no longer remain an obligated person with respect to the Bonds within the meaning of the Rule.

The Corporation and the Board have agreed that their undertaking pursuant to the Rule is intended to be for the benefit of the holders or beneficial owners of the Bonds, and shall be enforceable by such holders or beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Corporation's and Board's obligations hereunder and any failure by the Corporation or the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

Financial information regarding the Corporation and the Board may be obtained from the Superintendent, Christian County School District, P.O. Box 609, Hopkinsville, KY 42240 (270) 887-1300.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Board or Corporation taken with respect to the issuance or sale thereof.

VERIFICATION OF MATHEMATICAL ACCURACY

Grant Thornton LLP will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Refunded Bonds, and (2) the computations of yield on both the securities and the Bonds contained in the provided schedules used by Bond Counsel in its determination that the interest on the Bonds is exempt from tax. Grant Thornton LLP will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

FISCAL AGENT

J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky, will act as Fiscal Agent to the Board and the Corporation in connection with the issuance of the Bonds and will receive a fee, payable from Bond proceeds, for their services as Fiscal Agent. The Fiscal Agent has reserved the right to bid either alone or in conjunction with others, on the Bonds as the same are put up for public sale.

RATING

The Board and the Corporation have received a rating of " " on the Bonds from Moody's Investors Service ("Moody's"). Any explanation of the significance of such rating may be obtained only from Moody's. The Board and Corporation furnished to Moody's certain information and materials about the Bonds and themselves. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by Moody's. Any such downward change in or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

The statements contained in the Official Statement under the headings Introductory Statement, Book Entry and DTC, The Bonds, Christian County (Kentucky) School District Finance Corporation, Security for the Bonds, Biennial Budget 2010-2012, The Refunding Plan, Disposition of Bond Proceeds, Miscellaneous Resolution and Lease Provisions, State Support of Education, Kentucky Department of Education Supervision, Revenue Sources within the Christian County School District, Homestead Exemption and Limitation on Taxation under the general heading of Tax Base Information, Tax Exemption, Qualified Tax-Exempt Obligations and Continuing Disclosure have been reviewed by Rubin & Hays, Bond Counsel, and they are of the opinion that the statements (except as to such matters as tax rates and income or projected income contained in said paragraphs as to which no opinion is expressed) contained under such headings are substantially correct.

Bond Counsel has not undertaken to review the accuracy or completeness of statistical and geographical information contained in this Official Statement.

COMPLETENESS OF OFFICIAL STATEMENT

This Official Statement does not, as of its date, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements contained herein, in the light of the circumstances under which they were made, not misleading in any material respect.

APPROVAL OF OFFICIAL STATEMENT

The Corporation has approved and caused this "Official Statement" to be executed and delivered by its President. In making this "Official Statement" the Corporation relies upon information furnished to it by the Board and does not assume any responsibility as to the accuracy or completeness of any of the information in this Official Statement. The financial information supplied by the Board and reported herein, is represented by the Board to be correct. Additional financial information for the District to include audited financial reports is available upon request to the District's Fiscal Agent, J.J.B. Hilliard, W.L. Lyons, LLC (502) 588-1124.

CHRISTIAN COUNTY BOARD OF EDUCATION

By /s/ Barry D. Cornelius
Chairperson

CHRISTIAN COUNTY SCHOOL DISTRICT FINANCE CORPORATION

By /s/ Barry D. Cornelius
President

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

By /s/ Dr. Robert Tarvin
Executive Director

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APPENDIX A

**CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2010**

Tax Base, Operating and Financial Data

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TAX BASE INFORMATION

Property Subject to Taxation

The following table summarizes the assessed valuation of all classes of property subject to taxation by the Board:

<u>Year</u>	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Total Assessed Value</u>
2010-11 (est.)	\$2,423,134,746	\$276,876,843	\$96,617,699	\$289,185,390	\$3,085,814,678
2009-10	2,367,274,305	290,066,508	96,485,120	259,853,957	3,013,679,890
2008-09	2,315,094,923	273,057,682	92,672,425	301,755,520	2,982,580,550
2007-08	2,092,719,431	277,130,208	90,917,975	312,137,475	2,772,905,089
2006-07	1,978,388,778	253,734,009	96,359,911	314,408,981	2,642,891,679

Source: Christian County School District

History of Assessment Rates

The following presents the assessment rates for the last five fiscal years for property subject to taxation by the Board:

	<u>2010-11 (est.)</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Real Estate	\$.379	\$.368	\$.369	\$.380	\$.382
Tangible	.379	.368	.380	.380	.382
Motor Vehicle	.566	.566	.566	.566	.566
Utilities (%)	3%	3%	3%	3%	3%

Source: Christian County School District

Tax Receipts

The following represents real estate, tangible, and personal tax receipts in the District for the most recent five year period:

<u>Fiscal Year</u>	<u>Taxes Collected</u>	<u>Taxes Budgeted</u>	<u>Percent Collected Versus Budgeted</u>
2009-10 (1)	\$11,366,559	\$11,214,811	101.4%
2008-09	11,119,878	10,975,251	101.3
2007-08	10,650,729	10,360,220	102.8
2006-07	10,389,605	9,573,489	108.5
2005-06	9,769,024	9,069,323	107.7

(1) unaudited

Source: Christian County School District

OPERATING AND FINANCIAL DATA

The District serves the public educational needs of the County. School enrollment and average daily attendance are summarized below:

<u>Year</u>	<u>Enrollment</u>	<u>Average Daily Attendance</u>
2010-11 (est.)	8,645	8,045.0
2009-10	8,847	8,011.0
2008-09	8,798	8,025.0
2007-08	8,908	8,104.0
2006-07	8,998	8,180.1

Source: Christian County School District

Top Ten Taxpayers for 2009

<u>Taxpayer</u>	<u>Property Assessment</u>	<u>Taxes Collected</u>
Amfine Chemical Corp.	\$23,578,000	\$161,282.95
TG Automotive Sealing	15,300,000	104,658.12
United States Tobacco	14,914,500	102,021.16
Lexington Hopkinsville Corp.	13,500,000	92,345.40
Continental Mills Inc.	13,000,000	88,925.20
Wal-Mart Stores East	12,068,968	*1,774.13
Wal-Mart Real Estate	11,175,000	76,441.47
Martinrea International	9,500,000	64,983.80
Lowe's Home Centers	9,414,400	64,398.26
Hopkinsville Place Apart.	5,940,000	40,631.98

Source: Christian County PVA Office

*plus \$100,000 paid directly to the school district in lieu of taxes.

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Summary of Major Fund Balances

The District maintains its books and records on the modified accrual basis method of accounting. This practice is the accounting method prescribed by the Kentucky Department of Education for local school districts. The following table summarizes on a modified accrual basis the activity of the major funds used by the District.

	Unaudited 2009-2010	General Fund		
		2008-09	Actual 2007-08	2006-07
Beginning Balance	\$ 9,619,085	\$ 11,624,441	\$ 10,455,519	\$ 9,686,383
Adjustments to Beginning Balance	(173,335)	-	-	-
Adjusted Beginning Balance	<u>9,445,750</u>	<u>11,624,441</u>	<u>10,455,519</u>	<u>9,686,383</u>
Revenues From Local Sources				
General Property Tax	8,423,797	8,110,406	7,848,828	7,373,976
Public Service Companies	305,642	370,386	277,602	422,788
Utilities Gross Receipts Tax	4,076,319	4,638,515	4,474,248	3,994,837
Motor Vehicles	1,376,475	1,400,435	1,428,499	1,520,144
Earnings from Investments	238,170	334,268	715,283	816,712
Revenue in Lieu of Taxes	1,088,607	918,852	1,237,162	678,455
Rental of School Facilities and other Local Sources	11,853	148,716	53,464	52,612
Revenue from State Sources				
SEEK Program	31,229,218	36,211,846	36,647,044	33,728,649
Other	11,549,898	11,217,900	10,340,488	10,863,565
Other Revenues				
Sale of Property, Reimbursements, etc.	5,815	53,261	29,972	253,686
Federal Aid	294,841	436,383	52,994	-
Clearing Accounts and Transfers				
Capital Outlay Fund	-	-	57,931	255,719
Transfers and Clearing Accounts	<u>13,250</u>	<u>-</u>	<u>1,423,603</u>	<u>-</u>
Total of All Receipts	<u>\$ 58,613,885</u>	<u>\$ 63,840,968</u>	<u>\$ 64,587,118</u>	<u>\$ 59,961,143</u>
Total of All Receipts Plus Beginning Balance	<u>\$ 68,059,635</u>	<u>\$ 75,465,409</u>	<u>\$ 75,042,637</u>	<u>\$ 69,647,526</u>
Expenditures				
Total Current Expenses	57,186,366	65,407,970	62,965,757	58,990,904
Advancements, Loans & Transfers, etc.	<u>377,267</u>	<u>438,354</u>	<u>452,439</u>	<u>201,103</u>
Total Expenditures	<u>\$ 57,563,633</u>	<u>\$ 65,846,324</u>	<u>\$ 63,418,196</u>	<u>\$ 59,192,007</u>
Ending Balance	<u>\$ 10,496,002</u>	<u>\$ 9,619,085</u>	<u>\$ 11,624,441</u>	<u>\$ 10,455,519</u>

Source: Christian County School District

(1) The District converted to a new accounting system which resulted in reclassifications among certain accounts.

Capital Outlay Fund

	Fiscal Years			
	Unaudited	Actual		
	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Beginning Balance	\$ 0	\$ 555	\$ 0	\$ 0
Receipts				
Capital Outlay Allotment	\$800,072	\$810,416	\$818,010	\$824,030
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>\$800,072</u>	<u>\$810,416</u>	<u>\$818,010</u>	<u>\$824,030</u>
Total Receipts Plus Beginning Balance	<u>\$800,072</u>	<u>\$810,971</u>	<u>\$818,010</u>	<u>\$824,030</u>
Expenditures				
Debt Service	\$651,295	\$ 0	\$540,000	\$369,196
Other	<u>148,777</u>	<u>810,971</u>	<u>277,455</u>	<u>454,834</u>
Total Expenditures	<u>\$800,072</u>	<u>\$810,971</u>	<u>\$817,455</u>	<u>\$824,030</u>
Ending Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 555</u>	<u>\$ 0</u>

Source: Christian County School District

SEEK Allotment

The following represents the SEEK allotment provided to the Board for the last four years. The unaudited 2009-10 allotment is also provided.

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10⁽¹⁾</u>
SEEK Funds	\$32,863,044	\$33,728,649	\$36,647,044	\$36,211,846	\$31,229,218
(1) unaudited					

Source: Christian County School District

FSPK Allotment

The following represents the FSPK allotment provided to the Board for the last four years. The unaudited 2009-10 allotment is also provided.

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10⁽¹⁾</u>
FSPK Allotment	\$1,124,592	\$1,307,204	\$1,218,909	\$1,397,843	\$1,345,417
(1) unaudited					

Source: Christian County School District

APPENDIX B

**CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2010**

Outstanding Bonds of the District

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OUTSTANDING SCHOOL BUILDING REVENUE BONDS AS OF SEPTEMBER 1, 2010

Payable from Local Revenues

<u>Issue of</u>	<u>Original Issue Amount</u>	<u>Bonds Retired or Defeased</u>	<u>Bonds Outstanding</u>
August 1, 1997 (Series B)	\$2,936,505	\$2,594,306	\$342,199
July 1, 2001 (1)	2,908,997	244,012	2,664,985
September 1, 2002 (Series A)	545,000	295,000	250,000
September 1, 2002 (Series B)	1,945,000	865,000	1,080,000
July 1, 2003	3,369,609	1,506,021	1,863,588
August 1, 2003	2,200,000	1,310,000	890,000
August 1, 2005	8,099,106	295,649	7,803,457
April 14, 2008	2,366,810	515,503	1,851,307
May 11, 2010	21,191,958	0	21,191,958
Subtotal	<u>\$45,562,985</u>	<u>\$7,625,491</u>	<u>\$37,937,494</u>

Payable from Non-Local Revenues (2)

<u>Issue of</u>	<u>Original Issue Amount</u>	<u>Bonds Retired or Defeased</u>	<u>Bonds Outstanding</u>
August 1, 1997 (Series B)	\$2,148,495	\$1,900,694	\$247,801
July 1, 2001 (1)	5,081,003	1,800,988	3,280,015
July 1, 2003	610,391	283,979	326,412
August 1, 2005	5,770,894	1,069,351	4,701,543
April 14, 2008	608,190	139,497	468,693
May 11, 2010	6,253,042	0	6,253,042
Subtotal	<u>\$20,472,015</u>	<u>\$5,194,509</u>	<u>\$15,277,506</u>
Total Bonds	<u><u>\$66,035,000</u></u>	<u><u>\$12,820,000</u></u>	<u><u>\$53,215,000</u></u>

Source: Christian County School District

(1) Portions of this bond issue will be refunded through the issuance of the Series 2010 Bonds. See "The Refunding Plan" for more details.

(2) Represents bond issues payable by the School Facilities Construction Commission subject to biennial appropriations by the Kentucky General Assembly.

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APPENDIX C

**CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2010**

Demographic and Economic Data

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CHRISTIAN COUNTY, KENTUCKY

Christian County had an estimated 2009 population of 80,938. With a land area of 721 square miles, Christian County is Kentucky's second largest county. The county is situated in the Mississippian Plateaus area of southwestern Kentucky, and borders Tennessee on the south and the Western Coal Field Region on the north. Hopkinsville, the county seat of Christian County, had an estimated 2009 population of 32,095. Hopkinsville is located 70 miles northwest of Nashville, Tennessee; 169 miles southwest of Louisville, Kentucky; and 251 miles southeast of St. Louis, Missouri.

The Economic Framework

Christian County firms employed 26,252 people in 2009. Manufacturing firms in the county reported 5,163 employees; trade, transportation, and utilities provided 5,749 jobs; 12,156 were employed in the service industry; informational, financial activities and public administration accounted for 3,089 jobs; and contract construction firms provided 853 jobs.

Transportation

Hopkinsville is the southern terminus of the Pennyriple Parkway, a multi-lane highway. Other AAA-rated trucking highways serving Hopkinsville include U.S. Highways 41, 41A, and 68. Interstate 24 traverses southern Christian County, and is adjacent to the city limits of Hopkinsville. Crofton is served directly by U.S. Highway 41 and Kentucky Highways 800 and 1348. The Pennyriple Parkway is accessible one mile east of Crofton. CSX Transportation provides main line rail service to Hopkinsville and Crofton. Twenty-seven common carrier trucking companies provide interstate and/or intrastate service to Christian County. The nearest scheduled commercial airline services are available at Nashville International Airport, 77 miles southeast of Hopkinsville near Nashville, Tennessee; and at Evansville Regional Airport, 85 miles north of Hopkinsville near Evansville, Indiana. The Hopkinsville-Christian County Airport maintains a 5,000-foot paved runway.

Labor Supply

There is a current estimated potential labor supply of 28,315 persons available for industrial jobs in the labor market area. In addition, from 2010 through 2013, 20,727 young persons in the area will become 18 years of age and potentially available for industrial jobs. Largest manufacturing employers in Christian County are listed below (as of August 2010):

<u>Firm</u>	<u>Product</u>	<u>Average Employment</u>
TG Automotive Sealing	Weatherstripping, rubber molding	689
Wal-Mart Distribution Center	Distribution	675
Metalsa Structural Products	Automobile frames	480
T.RAD North America Inc.	Heat transfer products for off-highway and automotive industry	362
Martinrea	Automotive assemblies & painting of chassis components & suspension systems	320
Douglas Autotech Corp.	Automotive steering columns & shifters	238
Ebonite International Inc.	Bowling balls, bags, gloves & accessories	225
Continental Mills	Dry mix food products such as pancake, muffin and brownie mixes	186
Grupo Antolin Kentucky Inc.	Overhead systems for automobiles	180
Propulsys Inc.	Hydraulic motors, brakes, pumps, flow dividers	157

Source: Kentucky Cabinet for Economic Development, Division of Research and Planning.

**Christian County Economic Statistics
2006-2010**

<u>Year</u>	<u>Per Capita Income</u>	<u>Median Family Income</u>	<u>Average Weekly Wage</u>	<u>Unemployment Rate</u>	<u>Employment</u>	<u>Civilian Labor Force</u>
2010	(1)	\$52,500	(1)	10.5% ⁽²⁾	26,501 ⁽²⁾	29,626 ⁽²⁾
2009	(1)	52,900	\$656.21	12.3	26,252	29,922
2008	\$31,282	51,300	651.11	8.4	26,945	29,403
2007	26,271	49,200	627.33	6.5	24,811	26,532
2006	26,609	47,800	601.54	6.6	25,404	27,195

(1) Data not available

(2) Preliminary, as of June 2010

Source: Kentucky Department of Economic Development

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APPENDIX D

**CHRISTIAN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2010**

**Estimated Commission and District Debt Service Requirements of the Series 2010 Bonds
and Estimated Total Annual District Debt Service Requirements**

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*Christian County
School District Finance Corporation
School Building Refunding Revenue Bonds, Series 2010B*

ESTIMATED COMMISSION AND DISTRICT DEBT SERVICE REQUIREMENTS ON SERIES OF 2010B BONDS

Date	Commission			District			Combined Debt Service			Fiscal Total
	Principal	Interest	Total P+I	Principal	Interest	Total P+I	Principal	Interest	Total P+I	
1/01/2011	\$42,249.00	\$22,152.45	\$64,401.45	\$2,751.00	\$20,197.55	\$22,948.55	\$45,000.00	\$42,350.00	\$87,350.00	\$87,350.00
7/01/2011	63,084.00	33,017.43	96,101.43	16,916.00	30,282.57	47,198.57	80,000.00	63,300.00	143,300.00	
1/01/2012	-	32,702.01	32,702.01	-	30,197.99	30,197.99	-	62,900.00	62,900.00	206,200.00
7/01/2012	63,718.00	32,702.01	96,420.01	16,282.00	30,197.99	46,479.99	80,000.00	62,900.00	142,900.00	
1/01/2013	-	32,383.42	32,383.42	-	30,116.58	30,116.58	-	62,500.00	62,500.00	205,400.00
7/01/2013	323,863.00	32,383.42	356,246.42	111,137.00	30,116.58	141,253.58	435,000.00	62,500.00	497,500.00	
1/01/2014	-	30,764.11	30,764.11	-	29,560.89	29,560.89	-	60,325.00	60,325.00	557,825.00
7/01/2014	327,530.00	30,764.11	358,294.11	107,470.00	29,560.89	137,030.89	435,000.00	60,325.00	495,325.00	
1/01/2015	-	28,717.05	28,717.05	-	28,889.21	28,889.21	-	57,606.26	57,606.26	552,931.26
7/01/2015	332,235.00	28,717.05	360,952.05	132,765.00	28,889.21	161,654.21	465,000.00	57,606.26	522,606.26	
1/01/2016	-	26,059.17	26,059.17	-	27,827.09	27,827.09	-	53,886.26	53,886.26	576,492.52
7/01/2016	338,273.00	26,059.17	364,332.17	151,727.00	27,827.09	179,554.09	490,000.00	53,886.26	543,886.26	
1/01/2017	-	22,676.44	22,676.44	-	26,309.82	26,309.82	-	48,986.26	48,986.26	592,872.52
7/01/2017	345,544.00	22,676.44	368,220.44	144,456.00	26,309.82	170,765.82	490,000.00	48,986.26	538,986.26	
1/01/2018	-	18,789.07	18,789.07	-	24,684.69	24,684.69	-	43,473.76	43,473.76	582,460.02
7/01/2018	353,854.00	18,789.07	372,643.07	441,146.00	24,684.69	465,830.69	795,000.00	43,473.76	838,473.76	
1/01/2019	-	14,365.89	14,365.89	-	19,170.36	19,170.36	-	33,536.25	33,536.25	872,010.01
7/01/2019	363,272.00	14,365.89	377,637.89	451,728.00	19,170.36	470,898.36	815,000.00	33,536.25	848,536.25	
1/01/2020	-	9,370.90	9,370.90	-	12,959.10	12,959.10	-	22,330.00	22,330.00	870,866.25
7/01/2020	373,496.00	9,370.90	382,866.90	466,504.00	12,959.10	479,463.10	840,000.00	22,330.00	862,330.00	
1/01/2021	-	4,141.96	4,141.96	-	6,428.04	6,428.04	-	10,570.00	10,570.00	872,900.00
7/01/2021	295,854.00	4,141.96	299,995.96	459,146.00	6,428.04	465,574.04	755,000.00	10,570.00	765,570.00	765,570.00
Total	\$3,222,972.00	\$495,109.92	\$3,718,081.92	\$2,502,028.00	\$522,767.66	\$3,024,795.66	\$5,725,000.00	\$1,017,877.58	\$6,742,877.58	\$6,742,877.58

J.J.B. Hilliard, W.L. Lyons, LLC
Public Finance

Christian County (Kentucky)
School District Finance Corporation

ESTIMATED DISTRICT TOTAL DEBT SERVICE SCHEDULE

Fiscal Year Ending 6/30	Existing Debt Service	Series of 2010B			Total Debt Service
		Principal	Interest	Total P+I	
2011	\$1,836,595.54	\$2,751.00	\$20,197.55	\$22,948.55	\$1,859,544.09
2012	1,516,721.01	16,916.00	60,480.56	77,396.56	1,594,117.57
2013	1,511,883.35	16,282.00	60,314.57	76,596.57	1,588,479.92
2014	1,415,075.80	111,137.00	59,677.47	170,814.47	1,585,890.27
2015	1,409,000.96	107,470.00	58,450.10	165,920.10	1,574,921.06
2016	1,054,440.70	132,765.00	56,716.30	189,481.30	1,243,922.00
2017	997,231.03	151,727.00	54,136.91	205,863.91	1,203,094.94
2018	1,008,386.73	144,456.00	50,994.51	195,450.51	1,203,837.24
2019	738,092.24	441,146.00	43,855.05	485,001.05	1,223,093.29
2020	735,892.68	451,728.00	32,129.46	483,857.46	1,219,750.14
2021	737,392.46	466,504.00	19,387.14	485,891.14	1,223,283.60
2022	752,192.00	459,146.00	6,428.04	465,574.04	1,217,766.04
2023	1,264,792.56	-	-	-	1,264,792.56
2024	1,264,039.52	-	-	-	1,264,039.52
2025	1,264,792.74	-	-	-	1,264,792.74
2026	1,265,479.06	-	-	-	1,265,479.06
2027	21,191,958.00	-	-	-	21,191,958.00
Total	\$39,963,966.38	\$2,502,028.00	\$522,767.66	\$3,024,795.66	\$42,988,762.04

J.J.B. Hilliard, W.L. Lyons, LLC
 Public Finance

OFFICIAL TERMS AND CONDITIONS OF SALE OF BONDS

1. Date and Hour of Sale

The Secretary of the Christian County School District Finance Corporation, will until 12:00 P.M., E.T., on September 2, 2010, in the office of the Kentucky School Facilities Construction Commission (the "Corporation"), 229 West Main Street, Suite 102, Frankfort, Kentucky 40601, receive competitive, electronic or sealed bids for the purchase of \$5,725,000 (plus or minus up to \$570,000) of its Christian County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2010B, dated the Date of Issuance.

2. Description and Maturities of Bonds

Said Bonds bear interest from the Date of Issuance, payable semiannually on January 1 and July 1 (January 1, 2011 being the first interest date and the first principal payment date), will be in the denomination of \$5,000 or any multiple thereof within the same maturity, will be numbered R-1 and upward, and will mature in each of the respective years, as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Maturity</u>	<u>Principal</u>
1/1/11	\$45,000	7/1/16	\$490,000
7/1/11	80,000	7/1/17	490,000
7/1/12	80,000	7/1/18	795,000
7/1/13	435,000	7/1/19	815,000
7/1/14	435,000	7/1/20	840,000
7/1/15	465,000	7/1/21	755,000

* The principal maturities are subject to change pursuant to the Bond Resolution pursuant to which the Bonds will be issued.

Bidders may elect to structure the maturities to include one or more term bonds with mandatory sinking fund redemptions.

Said Bonds are payable as to principal at The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, the Registrar and Payee Bank.

The Bonds are not subject to optional redemption.

The Bonds are to be issued in fully registered form (both principal and interest). The Registrar and Payee Bank will mail a check representing interest payments semiannually to each Bondowner of record as of the 15th day of the month preceding each interest due date by regular United States mail postmarked not later than the due date. Principal will be paid upon submission of matured Bonds to the Payee Bank. Upon the submission of a proper executed assignment, such

Bank, which is also the Transfer Agent, will transfer ownership of a Bond within three (3) business days of receipt without expense to the Bondowner.

3. Authority and Purpose

The Bonds have been duly authorized by a Resolution (the "Bond Resolution") duly adopted by the Board of Directors of the Christian County School District Finance Corporation, pursuant to the authority of Sections 162.120 through 162.300, inclusive, and 162.385, and Sections 58.010 through 58.140, inclusive, and 58.180 of the Kentucky Revised Statutes, for the purpose of providing funds to pay the cost, not otherwise provided, of refunding through escrow and defeasing the Christian County School District Finance Corporation School Building Revenue Bonds, Series 2001, dated July 1, 2001, scheduled to mature on and after July 1, 2013 (the "Refunded Prior Bonds"), through the deposit in escrow of funds and government obligations sufficient to pay the principal of and interest due on said Refunded Prior Bonds on July 1, 2011, and to redeem the Refunded Prior Bonds on July 1, 2011, at a redemption price of 101% of the principal amount redeemed.

The \$650,000 of Christian County School District Finance Corporation School Building Revenue Bonds, Series 2001, dated July 1, 2001, scheduled to mature on July 1, 2011, through and including July 1, 2012 (the "Unrefunded Prior Bonds") will be paid as and when due from the revenues of the Board.

The Refunded Prior Bonds and the Unrefunded Prior Bonds were issued for the purpose of the construction of a new Crofton Elementary School (hereinafter referred to as the "Project" or the "Project Property").

The Corporation reserves the right not to redeem any or all of the callable maturities of the Refunded Prior Bonds, maturing on July 1, 2013 through 2021, inclusive, depending on the interest rates bid at the sale of the bonds.

The Refunded Prior Bonds and the Unrefunded Prior Bonds constitute the only outstanding indebtedness against the Project. As of the date of delivery of these Bonds, provision will have been made for payment of the Refunded Prior Bonds, from the proceeds of the sale of these Bonds escrowed in accordance with the provisions of the Bond Resolution.

4. Security

These Bonds, in the opinion of Counsel, will constitute legal, valid and binding special obligations of the Christian County School District Finance Corporation, payable solely from and secured by an exclusive pledge of and a lien on the revenues of the Project, which revenues are derived from payments to be made under the Contract, Lease, and Option (the "Current Lease") between the Board of Education of Christian County, Kentucky, and the Christian County School District Finance Corporation, on a year-to-year basis, with the Board of Education having the exclusive option to renew thereafter from year to year (July 1 of each year to June 30 of each ensuing

year) for periods of one year at a time until the final maturity of these Bonds (July 1, 2021). In the Current Lease, the Board of Education agrees to pay annually (as long as the Current Lease remains in force) rentals in an amount sufficient to pay the principal of and interest on these Bonds as same become due, plus the annual maintenance and insurance costs of the Project.

In addition to the aforesaid pledge of the revenues created for the benefit of the owners of the Bonds, a statutory mortgage lien has been created on the Project in favor of such bondowners, pursuant to Section 162.200 of the Kentucky Revised Statutes, and said Project and any appurtenances thereto will remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on these Bonds; provided, however, that said statutory mortgage lien (together with such revenue pledge) is and will be restricted in its application to the school building(s) and appurtenances financed by the Refunded Prior Bonds, and to such easements and rights-of-way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of the Project; the right being expressly reserved to erect or construct upon any unimproved portion(s) of the Project property site described in the proceedings authorizing the issuance of these Bonds, other independently financed school building projects free and clear of said statutory mortgage lien, which other independently financed school building projects may or may not have a party wall or walls with and may adjoin the school building and appurtenances which are subject to said statutory mortgage lien, provided no part of the costs of said other independently financed school building projects is paid from the proceeds of the sale of these Bonds and provided the necessary easements for ingress, egress, sewage lines, septic tank lines and other utility lines shall be deemed to exist and continue to exist for all school buildings, improvements and additions financed by the Refunded Prior Bonds, or other bond issues.

The right has been reserved by the Corporation, at the request of the Board of Education, to withdraw any unimproved portion of the Project property site from the property encumbered by the statutory mortgage lien and revenue pledge securing these Bonds, and to convey such portion to the Board, for any purpose whatsoever, if the Board shall certify such withdrawal and conveyance does not adversely affect the Board's usage of the Project or adversely affect the security of the owners of these Bonds. Also, the right has been reserved to grant easements and rights-of-way through the Project property site for roads, utilities, drainage and other public purposes, free and clear of the statutory mortgage lien and pledge securing these Bonds; provided (a) no such release shall be made which would interfere with the ownership and efficient operation of the Project, or of any other school buildings and appurtenances securing any other outstanding bonds, or with the use of the surrounding premises for school purposes; (b) no such release may be made which would impair ingress to and egress from any school building; and (c) any such release shall not effect any reduction in the rental otherwise required by the Current Lease approved in the Bond Resolution.

5. Prior Lease and Current Lease

In connection with the issuance of the Refunded Prior Bonds, the Corporation and the Board of Education entered into a Contract, Lease, and Option (the "Prior Lease") pursuant to which the Project was leased to the Board of Education for a term of one year, with the option to said Board

of Education of renewing thereafter from year to year for periods of one year at a time, at annual rentals, sufficient to enable the Corporation to pay the principal of and interest on the Refunded Prior Bonds and the Unrefunded Prior Bonds.

In connection with the issuance of these Bonds, the Board of Education and the Corporation have entered into the Current Lease, providing, in substance that so long as the Board of Education exercises its renewal options its rentals will be payable according to the terms and provisions of the Current Lease until July 1, the final maturity of these Bonds, and same shall be deposited as received into the Bond Fund, as established by the Bond Resolution authorizing the issuance of these Bonds and used and applied for the payment of all maturing principal of and interest on these Bonds as they mature.

6. Legal Opinion

In the opinion of Rubin & Hays, Municipal Bond Counsel, Louisville, Kentucky, the principal of the Bonds is not subject to Kentucky ad valorem taxation and the interest on the Bonds is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and is not subject to Kentucky income taxation, subject to certain exceptions set out below. The legal opinion of Rubin & Hays is subject to the condition that the Corporation comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes, including the requirement as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds. The purchaser will be furnished said opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Bonds.

In order to assure the purchasers of the Bonds that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation (subject to certain exceptions set out below), the Corporation has covenanted in its Resolution authorizing the Bonds that (1) the Corporation will take all actions necessary to comply with the provisions of the Code, (2) the Corporation will take no actions which will violate any of the provisions of the Code, or that would cause the Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become subject to federal income taxation, and that the Corporation will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds.

The Bonds are not "private activity bonds" within the meaning of the Code, and the Corporation has been advised by Bond Counsel, and therefore believes, that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Corporation, the Board, and all subordinate entities thereof, do not reasonably anticipate issuing tax-exempt obligations during the calendar year in which the Bonds are being issued in excess of \$30,000,000, and, therefore, the Corporation has designated the Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b)(3) of the Code.

The tax-exempt status of the Bonds is subject to the following exceptions:

1. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds.
2. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.
3. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.
4. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds.

The Corporation has reserved the right to amend the Resolution authorizing the Bonds without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Bonds shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Corporation as part of the consideration for the purchase of the Bonds. To the extent that the Corporation obtains an opinion of nationally recognized bond counsel to the effect that noncompliance with any of the covenants contained in the Resolution authorizing the Bonds would not subject interest on the Bonds to federal income taxation or Kentucky income taxation, the Corporation is not required to comply with such covenants and requirements.

If, prior to the delivery of the Bonds, any event shall occur which alters the tax-exempt status of the Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Corporation, whereupon the amount of the good faith deposit of the

purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Bonds, including statements concerning the authority, purpose and security of the Bonds; but Bond Counsel has not reviewed any of the financial statements or calculations, such as debt service requirements, budget estimates, enrollment, capital outlay, estimated revenues, expenditures or other financial information in the Official Statement, and expresses no opinion thereon or assumes any responsibility in connection therewith.

7. Terms of Sale

The Bonds are offered for sale upon the following terms and conditions:

- A. A minimum price is required for the entire issue of not less than \$5,639,125 (98.5% of par), plus accrued interest from the date of the Bonds to the date of delivery.
- B. The successful bidder will be required to deposit with the Depository Bank, The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, immediately available funds in the amount of \$85,875 prior to the close of business on September 3, 2010, which amount shall represent the good faith deposit. The amount of the good faith deposit, without interest, will be deducted from the purchase price at the time of delivery of the Bonds.
- C. The determination of the best bid will be made on the basis of all bids submitted for exactly \$5,725,000 of Bonds as offered for sale under the terms and conditions herein specified. Upon determination of the lowest net interest cost according to the schedule of principal amounts listed in the Official Bid Form, the Corporation shall immediately proceed to adjust such principal amounts of the Bonds to determine the maturities of its final bond issue. The successful bidder will be required to accept the final bond issue as so computed, whether the principal amount has been increased or decreased by up to \$570,000, and to pay the percentage purchase price based upon the aggregate amount of the final bond issue.
- D. Bidders must state an interest rate or rates in a multiple of 1/8 or 1/20 of 1%, or both.
- E. There is no limit on the number of different rates which may be specified by any bidder.
- F. Interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.

- G. The maximum permissible net interest cost for the Bonds shall not exceed the "Bond Buyer's" Index of 20 municipal bonds as established on the Thursday immediately preceding the date of sale of said Bonds, plus 1.50%.
- H. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity, even though some such Bonds may be subject to mandatory redemption prior to their maturity date.
- I. Bidders may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the Corporation may require such Term Bonds to be subject to mandatory redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on July 1, of the years and in the principal amounts set forth in the final adjusted maturity schedule as seen on page 2 of the successful bid.
- J. The right to reject bids for any reason deemed advisable by the Corporation, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the Corporation, shall be minor or immaterial, is expressly reserved.
- K. Electronic bids for the Bonds must be submitted through PARITY[®] and no other provider of electronic bidding services will be accepted. Subscription to the PARITY[®] Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY[®] shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY[®] conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY[®] shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY[®]. The use of PARITY[®] facilities are at the sole risk of the prospective bidders. For further information regarding PARITY[®], potential bidders may contact PARITY[®], telephone (212) 404-8102.

In the event of a system malfunction in the electronic bidding process or at the sole discretion of a bidder, bids may be made on forms which, together with an Official Statement, may be obtained at the office of the Fiscal Agent, J.J.B. Hilliard, W.L. Lyons, LLC, 500 West Jefferson Street, Louisville, Kentucky 40202. Bids must be enclosed in sealed envelopes marked "Bid for Christian County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2010B" and

bids must be received by the Corporation at the office of the Kentucky School Facilities Construction Commission, 229 West Main Street, Suite 102, Frankfort, Kentucky 40601-1879, FAX: (502) 564-3412, prior to the date and hour stated above.

- L. It shall be the responsibility of the purchasers of the Bonds to furnish or cause to be furnished to the Payee Bank/Registrar at least five (5) days prior to the date of delivery of the Bonds, a list of the names, addresses and social security numbers or taxpayer identification numbers of each of the beneficial owners of the Bonds, and the principal amounts and maturities thereof. In the event of the failure to so deliver such list, the Bonds shall be issued in denominations corresponding to the principal amount of each respective maturity, or in the denomination of \$5,000, as shall be determined by the Payee Bank/Registrar.
- M. Delivery will be made in Louisville or Louisville, Kentucky, at no additional expense other than the charge, if any, of a delivery bank. The purchasers may elect to require delivery at any bank or trust company elsewhere in the Continental United States, or delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping expense, insurance in transit and the fee of the depository trust corporation. In connection with the issuance of the Bonds, the Corporation will pay for the printing of the Bonds, which will contain the opinion of Bond Counsel.
- N. The Bonds may be issued in certificated form or Book-Entry Form. If the Bonds are issued in Book-Entry Form, the Bonds will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases will be made in book-entry form only, except as permitted by the Resolution. Purchasers of the Bonds will not receive physical delivery of bond certificates. So long as CEDE & CO. is the registered owner of the Bonds, as nominee of DTC, interest, together with the principal of and redemption premium, if any, on the Bonds will be paid directly to DTC by the Trustee.
- O. Upon wrongful refusal of the successful bidder to take delivery of and pay for the Bonds when tendered for delivery, the amount of the good faith deposit shall be forfeited by such bidder, and such amount shall be deemed liquidated damages for such default; provided, however, if said Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale, said bidder shall be relieved of any liability to accept the Bonds hereunder.
- P. The purchasers of the Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Bond, nor any error with respect thereto, shall constitute cause for a failure or

refusal by the purchasers thereof to accept delivery of and payment for the Bonds in accordance with the terms of the purchase agreement.

- Q. The successful bidder shall promptly advise the Fiscal Agent to the Board of Education and the Corporation of (i) the reoffering price for each maturity of the Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Bonds on the reoffering date.
- R. The purchasers will pay for the printing of the final Official Statement and printed bond certificates, if any.

If, upon the basis of the foregoing, the Corporation shall accept a purchase bid for the \$5,725,000 of Bonds, or for the permissible adjusted amount thereof, the Current Lease having been previously executed on behalf of the Corporation and the Board, shall, following the sale, be recorded in the office of the Clerk of Christian, Kentucky.

The Corporation and the Board of Education have agreed in the Bond Resolution of the Board of Directors of the Corporation and the Resolution of the Board of Education, to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12, as amended and interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), (i) on or prior to 180 days after the end of each fiscal year, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained in Appendix A to the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds.

The purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, in form and substance reasonably satisfactory to the purchaser, evidence that the Corporation and the Board of Education have made the limited continuing disclosure undertaking set forth above for the benefit of the holders of the Bonds.

The Corporation shall provide to the successful purchaser a final Official Statement in accordance with the Rule. Arrangements have been made with the printer of the preliminary official statement, upon submission of completion text, to print a reasonable quantity of final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under Commission or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the final Official Statement.

Concurrently with the delivery of the Bonds, the President and Secretary of the Corporation will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

J.J.B. Hilliard, W.L. Lyons, LLC, has been employed as Fiscal Agent to the Board of Education and the Corporation in connection with the issuance of the Bonds. The Fiscal Agent's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Fiscal Agent may submit a bid for the purchase of the Bonds at the time of the advertised public sale of the Bonds, either independently or as a member of a syndicate organized to submit a bid for the purchase of the Bonds. (Signed) Brady Link, Secretary, Christian County School District Finance Corporation.

BID FORM
 for the
Christian County School District Finance Corporation
School Building Refunding Revenue Bonds, Series 2010B,
 to be held on September 2, 2010 at 12:00 p.m. ET
 in the office of the Kentucky School Facilities Construction Commission
 229 West Main Street, Suite 102
 Frankfort, Kentucky 40601
 Phone: (502) 564-5582
 Fax: (502) 564-3412

Subject to the terms and conditions set forth in a Resolution of the Board of Directors of Christian County School District Finance Corporation, providing for the sale of \$5,725,000 (plus or minus up to \$570,000) of Christian County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2010B, dated September 23, 2010, and in accordance with the notice of sale of the Bonds as advertised, and in accordance with the Official Terms and Conditions of Sale of Bonds, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$5,725,000 principal amount of Bonds, the sum of \$ _____ (not less than \$5,639,125), such Bonds to bear interest payable semiannually at the following annual rate(s):

<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial</u> <u>Bond</u> <u>Rate</u>	<u>Term*</u> <u>Bond</u> <u>Rate</u>	<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial</u> <u>Bond</u> <u>Rate</u>	<u>Term*</u> <u>Bond</u> <u>Rate</u>
1/1/11	\$45,000	_____%	_____%	7/1/16	\$490,000	_____%	_____%
7/1/11	80,000	_____%	_____%	7/1/17	490,000	_____%	_____%
7/1/12	80,000	_____%	_____%	7/1/18	795,000	_____%	_____%
7/1/13	435,000	_____%	_____%	7/1/19	815,000	_____%	_____%
7/1/14	435,000	_____%	_____%	7/1/20	840,000	_____%	_____%
7/1/15	465,000	_____%	_____%	7/1/21	755,000	_____%	_____%

* Bidders may elect to structure the maturities to include term bonds with mandatory sinking fund redemptions. To bid term bonds, put interest rate in Term Bond Rate column.

We understand that this bid may be accepted for as much as \$6,295,000 of Bonds and for as little as \$5,155,000 of Bonds, at the same price per \$1,000 of Bonds, as the price bid per \$1,000 of Bonds by the undersigned with the variation in such amount being adjusted as determined by the Christian County School District Finance Corporation at the time of acceptance of the best bid.

We understand that the Christian County School District Finance Corporation will furnish the final, approving legal opinion of Rubin & Hays, Municipal Bond Attorneys, of Louisville, Kentucky. We agree that if we are the successful bidder, that immediately available funds in the amount of \$85,875, payable to the Christian County School District Finance Corporation, will be deposited in The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, prior to the end of the business day on September 3, 2010, in accordance with the Notice of Bond Sale and the Official Terms, with the understanding that the amount thereof, without interest, will be deducted from the purchase price of the Bonds when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of sale.

Respectfully submitted,

Total interest cost from September 23, 2010, to final maturity	\$ _____
Less premium bid or plus discount, if any	\$ _____
Net interest cost	\$ _____
Average interest rate or cost (i.e. NIC%)	_____ %

The above computations of net interest cost and of average interest rate or cost are submitted for information only and are not part of this Bid.

ACCEPTANCE OF BID BY CHRISTIAN COUNTY SCHOOL DISTRICT FINANCE CORPORATION WITH ADJUSTMENT OF AMOUNT AND TOTAL BID PRICE

Accepted by the Christian County School District Finance Corporation, on this September 2, 2010, as to \$ _____ of Bonds at an adjusted price of \$ _____, plus accrued interest, with the change in amount of Bonds being reflected by the following changes in the maturities thereof.

<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial</u> <u>Bond</u> <u>Rate</u>	<u>Term*</u> <u>Bond</u> <u>Rate</u>	<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount</u>	<u>Serial</u> <u>Bond</u> <u>Rate</u>	<u>Term*</u> <u>Bond</u> <u>Rate</u>
1/1/11	\$ _____	_____ %	_____ %	7/1/16	\$ _____	_____ %	_____ %
7/1/11	\$ _____	_____ %	_____ %	7/1/17	\$ _____	_____ %	_____ %
7/1/12	\$ _____	_____ %	_____ %	7/1/18	\$ _____	_____ %	_____ %
7/1/13	\$ _____	_____ %	_____ %	7/1/19	\$ _____	_____ %	_____ %
7/1/14	\$ _____	_____ %	_____ %	7/1/20	\$ _____	_____ %	_____ %
7/1/15	\$ _____	_____ %	_____ %	7/1/21	\$ _____	_____ %	_____ %

Financial Advisor, Christian County School District
Finance Corporation