

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 19, 2010
(Bonds to be Sold August 26, 2010 at 11:00 A.M. E.D.S.T.)

With regard to the TEBS and BABS identified below, Bond Counsel is of the opinion that: (1) interest on the TEBS is exempt from Federal and Kentucky income taxation, (2) interest on the BABS is subject to Federal income taxation but exempt from Kentucky income taxation, and (3) principal of neither the BABS and TEBS is not subject to ad valorem taxation by Kentucky or any of its political subdivisions. SEE "TAX TREATMENT" WITHIN.

New Issue

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

OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION

\$890,000* SCHOOL BUILDING REVENUE BONDS, SERIES OF 2010

OR

\$890,000* SCHOOL BUILDING REVENUE BONDS, TAXABLE SERIES OF 2010
(BUILD AMERICA BONDS-DIRECT PAY TO ISSUER)

Dated: Date of Delivery

Bonds Due: as defined on inside cover pages

The Ohio County School District Finance Corporation (the "Corporation") plans to issue School Building Revenue Bonds, Tax-Exempt ("TEBS") or Taxable Build America Bonds ("BABS"), collectively referred to as the ("Bonds"). The Bonds are being issued by the Corporation in accordance with resolutions (the "Resolutions") adopted by the Board of Directors of the Corporation. The TEBS or BABS Bonds are being issued to finance HVAC repairs to Ohio County High School within Ohio County School District (the "District"). See "The Project" herein.

The Bonds will be issued initially in book-entry form only, 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 Huntington National Bank, Cincinnati, Ohio, as Paying Agent and Registrar, directly to DTC or Cede & Co., its nominee. DTC will in turn remit such principal or 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 issuable in denominations of \$5,000 or any integral multiples thereof, fully registered as to both principal and interest. The Bonds will mature on the respective dates shown on the inside of this cover page. Interest on the TEBS or BABS Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2011, at the rates shown on the inside of this cover page.

The TEBS or BABS maturing on or after September 1, 2021, shall be subject to redemption at the option of the District in whole or in part at any time on or after September 1, 2020, and if in part, in the maturity or maturities selected by the District, at a redemption price of 100% of the principal amount redeemed. The BABS are also subject to extraordinary optional redemption as provided herein.

The Bonds are offered, subject to prior sale, when, as and if issued by the Corporation, subject to prior approval of legality by Henry M. Reed III, Louisville, Kentucky, Bond Counsel. Delivery of the TEBS or BABS is expected on or about September 14, 2010.

*Preliminary, subject to adjustment

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

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.

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

\$890,000* School Building Revenue Bonds, Series of 2010

(First interest payment date – March 1, 2011)

<u>Cusip</u> <u>677302--</u>	<u>Maturing</u> <u>September 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>	<u>Cusip</u> <u>677302--</u>	<u>Maturing</u> <u>September 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>
	2011	\$40,000	%	%		2021	\$40,000	%	%
	2012	40,000				2022	35,000		
	2013	40,000				2023	40,000		
	2014	35,000				2024	40,000		
	2015	40,000				2025	40,000		
	2016	40,000				2026	45,000		
	2017	35,000				2027	140,000		
	2018	40,000				2028	45,000		
	2019	35,000				2029	45,000		
	2020	40,000				2030	35,000		

* Preliminary, subject to adjustment

OR

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

**\$890,000* School Building Revenue Bonds, Taxable Series of 2010
(Build America Bonds—Direct Payment to Issuer)**

(First interest payment date--March 1, 2011)

<u>Cusip</u> <u>677302--</u>	<u>Maturing</u> <u>September 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>	<u>Cusip</u> <u>677302--</u>	<u>Maturing</u> <u>September 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>
	2011	\$40,000	%	%		2021	\$40,000	%	%
	2012	40,000				2022	35,000		
	2013	40,000				2023	40,000		
	2014	35,000				2024	40,000		
	2015	40,000				2025	40,000		
	2016	40,000				2026	45,000		
	2017	35,000				2027	140,000		
	2018	40,000				2028	45,000		
	2019	35,000				2029	45,000		
	2020	40,000				2030	35,000		

* Preliminary, subject to adjustment

**OHIO COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Corporation Directors and Officers

Barry Geary - Director and President
William Eddins - Vice President and Director
Brian Decker - Treasurer
Soretta Ralph - Secretary
Bradley Beatty - Director
Jeff Evans - Director
Dwight Raymond - Director

OHIO COUNTY BOARD OF EDUCATION

Board Members

Barry Geary, Chairperson
William Eddins, Vice Chairperson
Brian Decker - Treasurer
Bradley Beatty
Jeff Evans
Dwight Raymond

Soretta Ralph - Superintendent

BOND COUNSEL

Henry M. Reed III
Louisville, Kentucky

FINANCIAL ADVISOR

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

PAYING AGENT AND BOND REGISTRAR

Huntington National Bank
Cincinnati, Ohio

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 Ohio County School District Finance Corporation and the Board of Education of Ohio County referred to the cover page hereof. No person has been authorized by the Ohio County School District Finance Corporation or the Board of Education of Ohio County 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 Ohio County School District Finance Corporation or the Board of Education of Ohio County or the Financial Advisor. 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 Ohio County School District Finance Corporation or the Board of Education of Ohio County since the date hereof.

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

(The remainder of this page intentionally left blank)

TABLE OF CONTENTS

	<u>Page</u>
Introductory Statement.....	1
Book Entry and DTC	2
The Bonds	4
Ohio County (Kentucky) School District Finance Corporation.....	4
Board of Education of Ohio County	4
Authority and Security	5
Kentucky School Facilities Construction Commission.....	6
The Project.....	6
Disposition of Bond Proceeds.....	7
Miscellaneous Resolution and Lease Provisions	7
State Support for Education	7
Kentucky Department of Education Supervision.....	9
Biennial Budget 2010-2012	9
Revenue Sources within the Ohio County School District	9
Tax Base Information	10
Tax Treatment.....	11
Continuing Disclosure	12
Absence of Material Litigation	12
Financial Advisor.....	12
Rating.....	13
No Legal Opinion Expressed As To Certain Matters	13
Completeness of Official Statement.....	13
Approval of Official Statement.....	14
Appendix A: Tax Base, Operating and Financial Data	
Appendix B: Outstanding Bonds of the District	
Appendix C: Demographic and Economic Data	
Appendix D: Estimated Commission and District Debt Service Requirements on the TEBS or BABS Bonds; and Estimated Total Annual District Debt Service Requirements	

THIS PAGE INTENTIONALLY
LEFT BLANK

OFFICIAL STATEMENT
Relating To
OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION

\$890,000* SCHOOL BUILDING REVENUE BONDS, SERIES OF 2010
OR
\$890,000* SCHOOL BUILDING REVENUE BONDS, TAXABLE SERIES OF 2010
(BUILD AMERICA BONDS-DIRECT PAY TO ISSUER)

INTRODUCTORY STATEMENT

This Official Statement, including the cover pages, is furnished in connection with the offering of \$890,000* in principal amount of School Building Revenue Bonds, Series of 2010 Bonds ("Tax-Exempt Bonds" or TEBS") or School Building Revenue Bonds, Taxable Series of 2010 ("Build America Bonds" or "BABS") of the Ohio County School District Finance Corporation (the "Corporation"), collectively referred to as (the "Bonds"). The Bonds will be issued under and in compliance with the laws of the Commonwealth of Kentucky, including among others Sections 162.120 through 162.290 and 162.385 of the Kentucky Revised Statutes (the "School BondAct"), and in accordance with a resolutions (the "Resolutions") adopted by the Board of Directors of the Corporation. Also, the Board of Education of Ohio County, Kentucky (the "Board"), has adopted a resolutions approving and directing the issuance of the Bonds by the Corporation.

The American Recovery and Reinvestment Act of 2009 (the "Recovery Act") authorizes the Corporation to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The Corporation will determine whether to issue a portion of the Bonds as taxable Bonds, or whether to issue certain of the Bonds as tax-exempt Bonds, based on market conditions and bidding results on the date of sale (see the "Notice and Official Terms and Conditions of Bond Sale" for details). The available subsidy for the BABS will be paid directly to the Corporation and will not constitute security for the payment of principal of or interest on any BABS.

Prior to the issuance of the Bonds, the Board will enter into a Continuing Disclosure Certificate regarding its obligation to make continuing annual disclosure of certain financial and operating information and disclosure of certain material events which might occur, all as described hereinafter under the heading "CONTINUING DISCLOSURE UNDERTAKING."

The Bonds will be issued initially only in book-entry form in the name of Cede & Co., a nominee of The Depository Trust Company ("DTC"), as securities depository. No physical delivery of the Bonds will be made to purchasers. SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER, REFERENCES TO BONDHOLDERS OR REGISTERED HOLDERS OR OWNERS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. See "BOOK ENTRY AND DTC."

There follows brief descriptions of the Board and the Corporation, the Projects to be financed, the Bonds, the Resolutions and related documents, and the Continuing Disclosure Certificate, together with the Appendices containing financial and other information with respect to the Board. All descriptions contained herein of the Bonds, the Resolutions and related documents, and the Continuing Disclosure Certificate do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents, all of which are available for inspection at the office of the Board in Ohio County, Kentucky.

*Preliminary, subject to adjustment

BOOK ENTRY AND DTC

The following information regarding the Depository Trust Company, New York, New York ("DTC"), and Cede & 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 heading "BOOK ENTRY AND DTC", and the Corporation is not required to supervise, and will not supervise, the operation of the book-entry system described herein.

DTC will act as securities depository for 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 each maturity of each series of the Bonds, in the aggregate principal amount of the 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.

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 and principal and interest 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.

THE CORPORATION AND THE PAYING AGENT AND BOND REGISTRAR WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AND BOND REGISTRAR AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE RESOLUTIONS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

The securities depository may discontinue providing its services with respect to the Bonds at any time by giving 30 days' notice to the Corporation and the Paying Agent and Bond Registrar and discharging its responsibilities with respect thereto under applicable law. If no successor securities depository is appointed in accordance with the Resolutions, or if the Corporation decides to discontinue the Book-Entry-Only System, Bond certificates shall be printed and delivered to and registered in the name of the Beneficial Owners.

In the event that the Book-Entry-Only System is discontinued, a Bondholder may transfer or exchange Bonds in accordance with the Resolutions. The Paying Agent and Bond Registrar may require a Bondholder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Resolutions. The Paying Agent and Bond Registrar shall not be required 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.

THE BONDS

The TEBS or BABS will be dated the date of delivery (anticipated to be September 14, 2010), will be issued initially in book-entry form in the principal amount of \$890,000* and in denominations of \$5,000 or any integral multiples thereof, will mature as to principal on September 1, 2011, and thereafter on each September 1 until final maturity, and will bear interest as set forth on the inside of the cover page of this Official Statement.

The TEBS or BABS maturing on or after September 1, 2021, shall be subject to redemption at the option of the District in whole or in part at any time on or after September 1, 2020, and if in part, in the maturity or maturities selected by the District, at a redemption price of 100% of the principal amount redeemed.

The BABS are subject to redemption by the Corporation, at its option, prior to maturity at any time or times at the redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date if and to the extent the federal government should not make the subsidy payment equal to 35% of the amount of interest paid on such BABS pursuant to ARRA.

Not less than thirty days nor more than sixty days before the redemption date of the Bonds, the Paying Agent and Bond Registrar is required to cause a notice of redemption to be mailed postage prepaid by first class United States mail to all registered holders of the TEBS or BABS to be redeemed in whole or in part at their registered addresses, and any notice so mailed shall be conclusively presumed to have been duly given whether or not received by the registered holder. Failure to mail any notice or any defect in any notice with respect to the TEBS or BABS shall not affect the validity of the redemption of any of the TEBS or BABS. Such redemption notice must set forth the details with respect to the redemption.

Interest accruing on the TEBS or BABS will be payable semiannually on March 1 and September 1 of each year (commencing March 1, 2011) from the later of date of issuance, or the most recent interest payment date to which interest has been paid or duly provided for. The interest installments on the TEBS or BABS will be paid to the person who is the registered holder thereof as of the close of business on the Record Date for such interest installment, which Record Date shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Payment of interest shall be made by check mailed to the person who is the registered holder on the applicable Record Date at the address of such registered holder as it appears on the books of the Paying Agent and Bond Registrar. Principal shall be paid when due upon delivery of the Bonds for payment at the designated office of the Paying Agent and Bond Registrar, Huntington National Bank, Cincinnati, Ohio. If the date for making any principal or interest payment is not a business day for the Paying Agent and Bond Registrar, such payment may be made on the next succeeding business day and no interest shall accrue for the period after such stipulated date.

See "BOOK ENTRY AND DTC" regarding payment of principal and interest to the Beneficial Owners while the Bonds are in the Book-Entry-Only System.

OHIO COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION

The Corporation is an agency, instrumentality and constituted authority of the Board of Education of the Ohio County School District, Kentucky (the "Board"), organized pursuant to Sections 162.385 and 58.180 of the Kentucky Revised Statutes as a Kentucky nonprofit corporation under Sections 273.161 through 273.390 of the Kentucky Revised Statutes. The Corporation was created by the Board in order to act on behalf of the Board in the financing of school building projects for the Board.

The Corporation is governed by a five-member Board of Directors consisting of the incumbent members of the Board of Education.

BOARD OF EDUCATION OF OHIO COUNTY

The Board is a statutory board of education organized and existing pursuant to Chapter 160 of the Kentucky Revised Statutes, vested with the responsibility of providing for the public education in the Ohio County School District (the "District") by establishing and operating public schools. The Board consists of five (5) members, each elected from a separate division within the Ohio County School District.

* Preliminary, subject to adjustment

The Board employs a Superintendent of Schools, who, subject to the control of the Board, has general supervision of the conduct of the schools, the courses of instruction, the management of teachers, the discipline of pupils and the management of business affairs. See the Appendices for detailed information concerning the Board.

The Board has directed the Corporation to act on its behalf in issuing the Bonds.

AUTHORITY AND SECURITY

The TEBS or BABS are being issued by the Corporation pursuant to the Act and a resolution of its Board of Directors (the "Resolution") to finance HVAC repairs to Ohio County High School (the "Project"). Also, the Board has adopted a resolution approving and directing the issuance of the Bonds by the Corporation.

The TEBS or BABS do not constitute a limited indebtedness of the Corporation or the Board within the meaning of any limitations imposed by the Constitution of Kentucky and are payable solely from, and are secured by pledges of a sufficient portion of, the income and revenues to be derived by the Corporation from leasing the Projects. The Resolution makes provision for setting aside in a special account designated the "Ohio County School District Finance Corporation School Building Revenue Bond and Interest Redemption Fund, Series of 2010" (the "Bond Fund"), of a sufficient portion of the income and revenues of the Projects to provide for the payment of interest on and principal of the TEBS or BABS when due.

In addition to the pledges of rental revenues the TEBS or BABS are secured by a statutory mortgage liens on the facilities constituting the Project; provided, however, that the lien and pledge are inferior and subordinate to similar liens and pledges securing certain of the Corporation's outstanding School Building Revenue Bonds issued to construct, improve or refinance the Project (the "Prior Lien Bonds").

The rental of the Project from the Corporation to the Board is to be effected under a certain Contract, Lease and Option by and between the Corporation and the Board (the "Lease"), whereunder the Project is leased to the Board for the initial period ending June 30, 2011, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the TEBS or BABS as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

Under the terms of the Lease, and any renewal thereof, the Board has agreed so long as the TEBS or BABS remain outstanding, and in conformance with the intent and purpose of KRS 157.627(5) and KRS 160.160, 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.

Although the Board is obligated to pay to the Corporation annual rentals in the full amount of the principal and interest requirements on the TEBS or BABS for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay directly to the Paying Agent and Bond Registrar for the TEBS or BABS, for the Board's benefit, a stated annual Agreed Participation equal to approximately \$41,005 to be applied only to the annual debt service requirements for the TEBS or BABS herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; paid semiannually in each year until final maturity, subject to any constitutional restrictions limiting the commitment of state agencies to the then current biennium, unless and until renewed for the next biennium. The Agreed Participation is to be applied only to the principal and interest requirements of the TEBS or BABS so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned its rights under the Participation Agreement and to the Agreed Participation with respect to the TEBS or BABS to the Corporation in order to secure the TEBS or BABS. See "KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION" herein.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

The Commission is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of Sections 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner in which will ensure an equitable distribution of funds based upon unmet need.

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Project and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately \$41,005 to be applied to the annual debt service requirements for the TEBS or BABS each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2012; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

The Extraordinary Session of the General Assembly of the Commonwealth adopted the State's Budget for the biennium ending June 30, 2012. *Inter alia*, the Budget funded \$150,000,000 of the Commission's previous Offers of Assistance made during the last biennium; authorized \$100,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2014; authorized the Commission to issue up to \$65,500,000 in bonds to cover the funding of the category 5 buildings in the State that are identified on the Kentucky Department of Education list of May 18, 2010 (grantees required to meet certain qualifications); authorized the Commission to make use of Build America Bonds and Qualified Tax Credit Bonds now available under Federal law; and funded certain technology programs and a statewide building classification study.

THE PROJECT

The TEBS or BABS are being issued to finance (to the extent not otherwise provided to be financed) HVAC repairs to Ohio County High School.

(The Remainder of This Page Intentionally Left Blank)

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

Sources of Funds*

Par Amount of Bonds:	
SFCC Bonds	\$524,429
Local Bonds	<u>365,571</u>
Total Par Amount of Bonds	890,000
Local Funds	<u>286,979</u>
<i>Total Sources of Funds</i>	<u>\$1,176,979</u>

Uses of Funds*

Deposit to Construction Fund	\$1,010,850
Bond Discount (1.5%, assuming BABS)	13,350
Architects' Fees	87,236
Contingencies	50,543
Costs of Issuance	<u>15,000</u>
<i>Total Uses of Funds</i>	<u>\$1,176,979</u>

*Preliminary, subject to adjustment

DISPOSITION OF BOND PROCEEDS

The TEBS or BABS Bond proceeds will be applied as follows:

- (a) There will be paid the expenses incident to the issuance, sale and delivery of the TEBS or BABS, including the fee of the financial advisor, legal fees, rating fees and paying agent fees and such other appropriate expenses as may be approved by the Corporation or the Board.
- (b) The balance of the proceeds shall be deposited to the Ohio County School District depository bank account (to be accounted for as a "construction" account on the District's accounting system), to be held at Huntington National Bank, Cincinnati, Ohio, and applied to pay costs of the Projects and will be invested pending disbursement. Authorized investments include direct obligations of the United States; obligations fully guaranteed by the United States; money market funds composed of United States obligations described above; bank certificates of time deposit fully secured by U.S. obligations described above; and other investments authorized by Kentucky law with respect to investment of public funds.

MISCELLANEOUS RESOLUTION AND LEASE PROVISIONS

The Resolution permits the issuance of additional parity bonds if necessary to complete the construction and acquisition of the Projects in accordance with plans and specifications approved by the Board and the State Department of Education.

In the Resolution, the Corporation has reserved the right to make provision for the discharge of the pledges and liens securing any of the Bonds by depositing in escrow obligations of the United States Government which, together with earnings thereon, will produce amounts sufficient for payment of such Bonds.

The Resolution and the Contract, Lease and Option 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 FOR 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 as 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 State Board for Elementary and Secondary 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 guaranteed to each school district by SEEK for operating and capital expenditures is determined in each fiscal year by dividing the total annual SEEK appropriation by the state-wide 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), number and types of exceptional children, and transportation costs.

KRS 157.420 establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$3,866) for the current biennium which is required to be segregated into a 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.

KRS 157.440(1) requires that effective for fiscal years beginning July 1, 1990 each school district shall levy a minimum equivalent tax rate of \$.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 levied by the district (including utilities gross receipts license and special voted) for school purposes is divided by the total assessed value of property, plus the assessment for motor vehicles certified by the Revenue Cabinet of the Commonwealth. Any school district board of education which fails to comply with the minimum equivalent tax rate levy shall be subject to removal from office.

KRS 157.420 establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$3,866) for the current biennium which is required to be segregated into a 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.

KRS 160.470(12)(a) requires that effective for fiscal years beginning July 1, 1990 each school district shall levy a minimum equivalent tax rate of \$.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 levied by the district (including utilities gross receipts license and special voted) for school purposes is divided by the total assessed value of property, plus the assessment for motor vehicles certified by the Revenue Cabinet of the Commonwealth. Any school district board of education which fails to comply with the minimum equivalent tax rate levy shall be subject to removal from office.

KRS 160.470(12)(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 the SEEK program. Any increase beyond the 4% annual limitation imposed by KRS 132.017 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 Kentucky School Facilities Construction 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 required by KRS 160.470(12). 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 Kentucky Facilities Support ("KFS") program 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 under KRS 157.440(1)(b).

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.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

KRS 160.470 provides that a local school district budget failing to provide payments for rentals in connection with outstanding revenue bonds for school purposes shall be disapproved by the State Department of Education. State Department of Education approval of a bond issue and its associated financial, educational and construction plans is required prior to its issuance and must have been received prior to the sale of the 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 record of no defaults in payment of its revenue bonds for school purposes.

Kentucky law requires that annual budgets of local school boards provide for rental payments for debt service in order for such budgets to be approved by the State Department of Education.

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.

REVENUE SOURCES WITHIN THE OHIO COUNTY SCHOOL DISTRICT

Capital Outlay Allotment

Kentucky's Minimum Foundation 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 it is expected will continue to be, applied to debt service through rental payments on lease agreements.

KRS 157.420 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 should 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 allotments for the most recent four year period and the estimates for 2009-10 can be found in Appendix A.

General Property and Motor Vehicle Tax

The Board levies a tax on \$100 of valuation on real estate, personal property and motor vehicles in the District. See Appendix A for the most recent five-year period of tax rates assessed and receipts.

Utility Tax

The Board levies a 3% utility gross receipts tax (for school purposes) on the gross receipts derived from the furnishing, within the Ohio County School District of telephone, telegraph, electric power, water and gas, subject to certain exemptions. Once levied, the tax remains in effect from year to year unless and until the Board requests its discontinuance. See Appendix A for a summary of recent years' receipts from the tax.

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 FOR 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 state-wide average assessment.

See **Appendix A** for the District's funds from the FSPK Program for the last four years and the 2009-10 budgeted amount.

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 December 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 \$78,916,256 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 TREATMENT

Tax Exempt Bonds; Bank Qualified

Bond Counsel is of the opinion that the TEBS are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended, and therefore advises as follows:

- (A) The TEBS and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.
- (B) The interest income from the TEBS are excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law; provided, that the corporate entities noted below are advised of certain tax consequences as follows:
 - (1) In the computation of the corporate minimum tax, earnings and profits may include otherwise tax-exempt interest on the TEBS; this provision applies to corporations only.
 - (2) Property and casualty insurance companies may be denied certain loss reserve deductions to the extent of otherwise tax-exempt interest on the TEBS.
- (C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than \$30,000,000 of qualified tax-exempt obligations during the calendar year ending December 31, 2010, the TEBS may be treated by financial institutions as if they were acquired before August 8, 1986.
- (D) The interest income from the TEBS is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law for individuals; however, said income must be included in the calculation of "modified adjusted gross income" in the determination of whether and to what extent Social Security benefits are subject to Federal income taxation.

Build America Bonds: Interest Subject to Federal Income Taxation; No Tax Credit Available

In accordance with Section 54AA of the Code interest on the BABS is includable in the reporting of gross income by the recipients thereof for Federal income tax purposes. The Registered Owners of the Bonds shall not be entitled to any Federal income tax credits as a result of the ownership of the BABS.

Interest Not Subject to State Income Taxation

Interest on the BABS is exempt from income taxation by the Commonwealth of Kentucky and all of its political subdivisions and the principal is exempt from ad valorem taxation by same.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Tax-Exempt Bonds that bear an interest rate that is higher than the yield (as shown on the cover page of the Final Official Statement), are being initially offered and sold to the public at an Acquisition Premium ("Premium Bonds"). For Federal income tax purposes, the amount of Acquisition Premium on each TEB must be amortized and will reduce the Owners adjusted basis in that bond. However, no amount of amortized Acquisition Premium on TEBS may be deducted in determining the Owners taxable income for Federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any TEBS, that must be amortized during any period will be based on the "constant yield" method, using the original Owners basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Owners of any TEBS, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

The TEBS that bear an interest rate that is lower than the yield (as shown on the Final Official Statement) are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon ("Discount Bonds"). OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For Federal income tax purposes, OID on each bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually ("yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial Owner of a Discount Bond at its issue price, the portion of OID that accrues during the period that such Owner owns the Discount Bond is added to such Owners tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and should be treated as stated interest, which is excludable from gross income for Federal income tax purposes.

Owners of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for respective state tax purposes.

CONTINUING DISCLOSURE

As a result of the principal amount of Bonds being offered not exceeding \$1,000,000 Bond Counsel has advised the Corporation and the Board that they are exempt from application of the Rule 15c2-12c2-12(b)(5) of the Securities and Exchange Commission.

Financial information regarding the Board may be obtained from Superintendent, Ohio County Board of Education, 315 E. Union Street, Hartford, Kentucky 42347, Telephone 270-298-3249.

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 Corporation or the Board taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds or the due existence or powers of the Corporation or Board.

FINANCIAL ADVISOR

J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky ("Hilliard Lyons"), has been employed as Financial Advisor in connection with the issuance of the Bonds. Hilliard Lyons' fee for services rendered with respect to

the sale of the Bonds is contingent upon the issuance and delivery thereof. Hilliard Lyons may submit a bid or bids for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

RATING

The Bonds have been assigned a rating of “ ” by Moody's Investors Service, Inc. (“Moody's”). Any explanation on the significance of such ratings 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 ratings will continue for any given period of time or that they may not be lowered or withdrawn entirely by Moody's. Any 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, Ohio County (Kentucky) School District Finance Corporation, Security for the Bonds, Biennial Budget 2010-2012, Kentucky School Facilities Construction Commission, The Project, Disposition of Bond Proceeds, Miscellaneous Resolution and Lease Provisions, State Support of Education, Kentucky Department of Education Supervision, Homestead Exemption and Limitation on Taxation under the general heading of Tax Base Information, Tax Treatment, Tax Exemption; Bank Qualified, and Continuing Disclosure have been reviewed by Henry M. Reed III, Bond Counsel, Louisville, Kentucky, and he is of the opinion that the statements 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.

(The Remainder of This Page Intentional Left Blank)

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 of 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.

Dated September ____, 2010

OHIO COUNTY SCHOOL DISTRICT FINANCE CORPORATION

By /s/ Beary Geary
President

OHIO COUNTY BOARD OF EDUCATION

By /s/ Beary Geary
Chairperson

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

By /s/ Dr. Robert Tarvin
Executive Director

APPENDIX A

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

Tax Base, Operating and Financial Data

THIS PAGE INTENTIONALLY
LEFT BLANK

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	\$683,844,336	\$112,341,771	\$114,743,688	\$113,225,354	\$1,024,155,149
2009-10	667,670,156	108,693,453	117,627,579	107,376,320	1,001,367,508
2008-09	661,718,768	59,169,299	119,630,878	119,321,005	959,839,950
2007-08	632,789,868	51,667,809	121,696,444	110,518,933	916,673,054
2006-07	614,691,964	48,223,209	121,882,635	110,492,138	895,289,946

Source: Ohio County School District

History of Assessment Rates

The following presents the assessment rates for property subject to taxation by the Board:

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Real Estate	.440¢	.448¢	.448¢	.442¢	.432¢
Tangible	.447¢	.448¢	.448¢	.442¢	.432¢
Motor Vehicles	.518¢	.518¢	.518¢	.518¢	.518¢
Utilities (expressed as a percent)	3%	3%	3%	3%	3%

Source: Ohio County School District

Tax Receipts

The following presents real estate, tangible, personal and motor vehicle tax receipts versus amounts budgeted for collection in the District for the last five tax years:

<u>Fiscal Year</u>	<u>Taxes Collected</u>	<u>Amount Budgeted</u>	<u>Percent Collected vs. Budgeted</u>
2008-09	\$4,368,308	\$4,204,680	103.9%
2007-08	4,139,557	3,883,336	106.6
2006-07	3,986,562	3,795,871	105.0
2005-06	3,755,748	3,422,367	109.7
2004-05	3,434,359	3,334,600	103.0

Source: Ohio County School District

OPERATING AND FINANCIAL DATA

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

<u>Year</u>	<u>Enrollment</u>	<u>Average Daily Attendance</u>
2009-10	3,806	3,423.3
2008-09	4,005	3,546.6
2007-08	4,040	3,519.5
2006-07	4,021	3,512.8
2005-06	3,989	3,530.2

Source: Ohio County School District

(The Remainder of This Page Intentionally Left Blank)

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.

	General Fund			
	Budget	Fiscal Years		
	2009-10	2008-09	2007-08	2006-07
Beginning Balance	\$4,131,248	\$3,368,265	\$4,777,213	\$5,296,390
Adjustments in Beginning Balance	(231,248)	(453,277)	1,280,866	(445,527)
Adjusted Beginning Balance (1)	\$3,900,000	\$2,914,988	\$6,058,079	\$4,850,863
Revenues From Local Sources				
General Property Tax	2,910,000	2,949,159	2,834,222	2,560,144
Public Service Companies	425,000	391,660	473,465	428,033
Utilities Gross Receipts Tax	1,200,000	1,356,657	1,349,793	1,070,600
Motor Vehicles	475,000	585,279	553,104	583,321
Earnings from Investments	80,000	68,654	371,369	510,166
Revenue in Lieu of Taxes	0	0	0	6,943
Rental of School Facilities and other Local Sources	147,162	283,696	222,626	154,082
Revenue from State Sources				
SEEK Program	15,250,000	18,136,213	17,908,969	16,368,385
Other	80,000	95,137	5,707,260	5,172,612
Other Revenues				
Federal Aid	-	9,216	15,551	63,942
Sale of Property, Reimbursements, etc.	-	-	-	-
Clearing Accounts and Transfers				
Capital Outlay Fund	-	-	-	-
Transfers and Clearing Accounts	115,500	108,443	26,690	126,416
Total of All Receipts	\$20,682,662	\$23,984,114	\$29,463,049	\$27,044,644
Total of All receipts Plus Beginning Balance	\$24,582,662	\$26,899,102	\$35,521,128	\$31,895,507
Expenditures				
Total Current Expenses	24,345,149	22,458,160	29,522,252	26,842,808
Advancements, Loans & Transfer, etc.	237,513	309,694	2,630,611	275,486
Total Expenditures	\$24,582,662	\$22,767,854	\$32,152,863	\$27,118,294
Ending Balance	\$0	\$4,131,248	\$3,368,265	\$4,777,213

Source: Ohio County School District

(1) The District converted to a new accounting system which resulted in restatements among certain beginning fund balances.

Capital Outlay Fund

	Fiscal Years			
	Budget	Actual		
	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Beginning Balance	\$ 0	\$ 0	\$ 0	\$ 0
Receipts				
Capital Outlay Allotment	\$349,400	\$354,659	\$351,950	\$354,220
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>\$349,400</u>	<u>\$354,659</u>	<u>\$351,950</u>	<u>\$354,220</u>
Total Receipts Plus Beginning Balance	<u>\$349,400</u>	<u>\$354,659</u>	<u>\$351,950</u>	<u>\$354,220</u>
Expenditures				
Debt Service on Bonds	\$349,400	\$354,659	\$351,950	\$354,220
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$349,400</u>	<u>\$354,659</u>	<u>\$351,950</u>	<u>\$354,220</u>
Ending Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source: Ohio County School District

SEEK Allotment

The following represents the SEEK program funds provided to the Board for the last four fiscal years and the estimated 2009-10 allotment.

	<u>2009-10 (est.)</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
SEEK Funds	\$15,250,000	\$18,136,213	\$17,908,969	\$16,368,385	\$16,127,655

Source: Ohio County School District

FSPK Allotment

The following represents the FSPK allotment provided to the Board for the last four years and the estimated 2009-10 allotment.

	<u>2009-10 (est.)</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
FSPK Allotment	\$744,928	\$784,439	\$662,625	\$682,320	\$607,258

Source: Ohio County School District

APPENDIX B

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

Outstanding Bonds of the District

THIS PAGE INTENTIONALLY
LEFT BLANK

**OHIO COUNTY SCHOOL DISTRICT
OUTSTANDING SCHOOL BUILDING REVENUE BONDS AS OF AUGUST 1, 2010**

Payable from Local Revenues

<u>Issue of</u>	<u>Original Issue Amount</u>	<u>Bonds Retired</u>	<u>Bonds Outstanding</u>
June 1, 1996	\$ 5,573,361	\$ 5,290,917	\$ 282,444
January 1, 1999 (Series B) ⁽¹⁾	1,946,063	848,339	1,097,724
February 1, 2002 ⁽²⁾	1,385,000	130,000	1,255,000
June 1, 2003 (Series B)	2,760,586	159,887	2,600,699
June 15, 2005	4,450,000	190,000	4,260,000
May 29, 2008	9,127,883	61,385	9,066,498
May 14, 2009	384,689	8,631	376,058
April 27, 2010	<u>50,914</u>	<u>0</u>	<u>50,914</u>
Subtotal	<u>\$25,678,496</u>	<u>\$6,689,159</u>	<u>\$18,989,337</u>

Payable from Non-Local Revenues ⁽³⁾

<u>Issue of</u>	<u>Original Issue Amount</u>	<u>Bonds Retired</u>	<u>Bonds Outstanding</u>
June 1, 1996	\$ 131,639	\$ 124,083	\$ 7,556
January 1, 1999 (Series B) ⁽¹⁾	853,937	371,661	482,276
June 1, 2003 (Series A)	2,460,000	1,020,000	1,440,000
June 1, 2003 (Series B)	269,414	135,113	134,301
May 29, 2008	1,977,117	143,615	1,833,502
May 14, 2009	180,311	6,369	173,942
April 27, 2010	<u>879,086</u>	<u>0</u>	<u>879,086</u>
Subtotal	<u>\$ 6,751,504</u>	<u>\$ 1,800,841</u>	<u>\$ 4,950,663</u>
Total	<u>\$32,430,000</u>	<u>\$8,490,000</u>	<u>\$23,940,000</u>

- (1) This financing is being refunded through the issuance of the Series 2010_ Bonds. See "The Refunding Plan" for more details.
- (2) This financing is being refunded through the issuance of the Series 2010_ Bonds. See "The Refunding Plan" for more details.
- (3) Represents bond issues payable by the Kentucky School Facilities Construction Commission subject to biennial appropriations by the Kentucky General Assembly.

THIS PAGE INTENTIONALLY
LEFT BLANK

APPENDIX C

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

Demographic and Economic Data

THIS PAGE INTENTIONALLY
LEFT BLANK

OHIO COUNTY, KENTUCKY

Ohio County, located in Kentucky's Western Coal Field Region, is a major coal-producing area of the state. The county's western boundary is formed by the Green River, one of Kentucky's major transportation waterways. Two primary cities are located in Ohio County - Beaver Dam and Hartford. Beaver Dam, the county's largest city, had a 2008 estimated population of 3,113 persons, and is located 4 miles south of Hartford, the county seat. Hartford had a 2008 estimated population of 2,666 persons and is located 105 miles north of Nashville, Tennessee; 110 miles southwest of Louisville, Kentucky; and 236 miles southeast of St. Louis, Missouri. Ohio County, with a land area of 594 square miles, had a 2009 estimated population of 23,534 persons.

The Economic Framework

The total number of Ohio County residents employed in 2009 averaged 11,449. Manufacturing firms in the county reported 2,741 employees; trade, transportation, and utilities provided 965 jobs; 1,245 people were employed in service occupations; information, financial activities and public administration accounted for 528 employees; contract construction firms provided 152 jobs; and financial activities provided 180 jobs.

Transportation

The Paducah and Louisville Railway provides main line rail freight service to Beaver Dam. CSX Transportation Company provides branch line rail freight service to Hartford. "AAA"-rated trucking highways serving Hartford and Beaver Dam include the Western Kentucky Parkway, the William H. Natcher Parkway (formerly the Green River Parkway), U.S. Highways 62 and 231, and Kentucky Route 69 north and east of Hartford. Thirteen common carrier trucking companies are authorized to serve Ohio County. The nearest scheduled commercial airline service is available at Evansville Regional Airport, 66 miles northwest of Hartford near Evansville, Indiana. Commuter air carrier service is available near Owensboro, Kentucky, 29 miles northwest of Hartford. The Ohio County Airport maintains a 4,800-foot paved runway. The nearest navigable waterway is the Green River, 14 miles southwest of Beaver Dam, where a 9-foot navigation channel is maintained. Public riverport facilities are also located near Owensboro.

Labor Supply

There is a current estimated potential labor supply of 14,015 persons available for industrial jobs in the labor market area. In addition, from 2009 through 2012, 18,502 young persons in the area will become 18 years of age and potentially available for industrial jobs.

Major manufacturing employers of the County (as of January 2010):

<u>Firm</u>	<u>Product</u>	<u>Average Employment</u>
Perdue Farms	Chicken slaughtering, processing, and packaging	1,273
Daicel Safety Systems America LLC	Inflators for automotive airbags	350
National Office Furniture	Wooden office desks, bookcases & tables	198
Tamaralane Industries, Inc.	Sheltered workshop; wooden door sills	190
Young Manufacturing Co., Inc.	Millwork, dimension lumber, door sills & stair treads	173
Nestayway LLC	Powdered vinyl & nylon coated wire racks	140
Ritatsu Manufacturing Inc.	Small motor vehicle metal stamping parts	91
Stericycle Inc.	Medical waste removal	71
Dunaway Timber Co., Inc.	Green & kiln dried lumber, wood chips & barrel staves	70
WPT Corporation	Manufactures nonwoven rolls	31

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

**Ohio 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)	\$45,000	(1)	9.0% ⁽²⁾	11,456 ⁽²⁾	12,584 ⁽²⁾
2009	(1)	45,200	\$578.75	10.0% ⁽²⁾	11,449 ⁽²⁾	12,721 ⁽²⁾
2008	\$25,875	44,200	530.07	6.4	11,823	12,634
2007	24,353	42,200	525.96	5.4	11,362	12,011
2006	22,945	42,400	511.89	6.1	11,164	11,884

Source: Kentucky Department of Economic Development.

(1) Data not available.

(2) Preliminary as of May 2010.

(The Remainder of This Page Intentionally Left Blank)

APPENDIX D

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

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

THIS PAGE INTENTIONALLY
LEFT BLANK

Ohio County
School District Finance Corporation
School Building Revenue Bonds, Taxable Series of 2010

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

Date	Commission			District				Combined Debt Service				Fiscal Total	
	Principal	Interest	Total P+I	Principal	Interest	35% Direct Pay	Total P+I	Principal	Interest	35% Direct Pay	Total P+I		
8/01/2010	-	-	-	-	-	-	-	-	-	-	-	-	-
2/01/2011	-	\$10,729.38	\$10,729.38	-	\$7,120.62	(\$6,247.50)	\$873.12	\$0.00	\$17,850.00	(\$6,247.50)	\$11,602.50	\$11,602.50	\$11,602.50
8/01/2011	\$19,645.00	10,729.38	30,374.38	\$20,355.00	7,120.62	(6,247.50)	21,228.12	40,000.00	17,850.00	(6,247.50)	51,602.50	51,602.50	63,075.00
2/01/2012	-	10,631.15	10,631.15	-	7,018.85	(6,177.50)	841.35	-	17,650.00	(6,177.50)	11,472.50	11,472.50	63,075.00
8/01/2012	19,867.00	10,631.15	30,498.15	20,133.00	7,018.85	(6,177.50)	20,974.35	40,000.00	17,650.00	(6,177.50)	51,472.50	51,472.50	62,782.51
2/01/2013	-	10,506.99	10,506.99	-	6,893.02	(6,090.00)	803.02	-	17,400.01	(6,090.00)	11,310.01	11,310.01	62,782.51
8/01/2013	20,143.00	10,506.99	30,649.99	19,857.00	6,893.02	(6,090.00)	20,660.02	40,000.00	17,400.01	(6,090.00)	51,310.01	51,310.01	62,425.01
2/01/2014	-	10,355.91	10,355.91	-	6,744.09	(5,985.00)	759.09	-	17,100.00	(5,985.00)	11,115.00	11,115.00	62,425.01
8/01/2014	20,499.00	10,355.91	30,854.91	14,501.00	6,744.09	(5,985.00)	15,260.09	35,000.00	17,100.00	(5,985.00)	46,115.00	46,115.00	57,002.50
2/01/2015	-	10,150.92	10,150.92	-	6,599.08	(5,862.50)	736.58	-	16,750.00	(5,862.50)	10,887.50	10,887.50	57,002.50
8/01/2015	20,966.00	10,150.92	31,116.92	19,034.00	6,599.08	(5,862.50)	19,770.58	40,000.00	16,750.00	(5,862.50)	50,887.50	50,887.50	61,450.00
2/01/2016	-	9,888.85	9,888.85	-	6,361.15	(5,687.50)	673.65	-	16,250.00	(5,687.50)	10,562.50	10,562.50	61,450.00
8/01/2016	21,524.00	9,888.85	31,412.85	18,476.00	6,361.15	(5,687.50)	19,149.65	40,000.00	16,250.00	(5,687.50)	50,562.50	50,562.50	60,767.50
2/01/2017	-	9,592.89	9,592.89	-	6,107.11	(5,495.00)	612.11	-	15,700.00	(5,495.00)	10,205.00	10,205.00	60,767.50
8/01/2017	22,152.00	9,592.89	31,744.89	12,848.00	6,107.11	(5,495.00)	13,460.11	35,000.00	15,700.00	(5,495.00)	45,205.00	45,205.00	55,068.75
2/01/2018	-	9,260.61	9,260.61	-	5,914.39	(5,311.25)	603.14	-	15,175.00	(5,311.25)	9,863.75	9,863.75	55,068.75
8/01/2018	22,856.00	9,260.61	32,116.61	17,144.00	5,914.39	(5,311.25)	17,747.14	40,000.00	15,175.00	(5,311.25)	49,863.75	49,863.75	59,305.00
2/01/2019	-	8,889.20	8,889.20	-	5,635.80	(5,083.75)	552.05	-	14,525.00	(5,083.75)	9,441.25	9,441.25	59,305.00
8/01/2019	23,641.00	8,889.20	32,530.20	11,359.00	5,635.80	(5,083.75)	11,911.05	35,000.00	14,525.00	(5,083.75)	44,441.25	44,441.25	53,484.38
2/01/2020	-	8,475.49	8,475.49	-	5,437.02	(4,869.38)	567.64	-	13,912.51	(4,869.38)	9,043.13	9,043.13	53,484.38
8/01/2020	24,514.00	8,475.49	32,989.49	15,486.00	5,437.02	(4,869.38)	16,053.64	40,000.00	13,912.51	(4,869.38)	49,043.13	49,043.13	57,598.76
2/01/2021	-	8,015.85	8,015.85	-	5,146.65	(4,606.88)	539.78	-	13,162.50	(4,606.88)	8,555.63	8,555.63	57,598.76
8/01/2021	25,483.00	8,015.85	33,498.85	14,517.00	5,146.65	(4,606.88)	15,056.78	40,000.00	13,162.50	(4,606.88)	48,555.63	48,555.63	56,591.25
2/01/2022	-	7,506.19	7,506.19	-	4,856.31	(4,326.88)	529.44	-	12,362.50	(4,326.88)	8,035.63	8,035.63	56,591.25
8/01/2022	26,557.00	7,506.19	34,063.19	8,443.00	4,856.31	(4,326.88)	8,972.44	35,000.00	12,362.50	(4,326.88)	43,035.63	43,035.63	50,587.81
2/01/2023	-	6,941.85	6,941.85	-	4,676.90	(4,066.56)	610.34	-	11,618.75	(4,066.56)	7,552.19	7,552.19	50,587.81
8/01/2023	27,746.00	6,941.85	34,687.85	12,254.00	4,676.90	(4,066.56)	12,864.34	40,000.00	11,618.75	(4,066.56)	47,552.19	47,552.19	54,519.38
2/01/2024	-	6,317.57	6,317.57	-	4,401.18	(3,751.56)	649.62	-	10,718.75	(3,751.56)	6,967.19	6,967.19	54,519.38
8/01/2024	29,061.00	6,317.57	35,378.57	10,939.00	4,401.18	(3,751.56)	11,588.62	40,000.00	10,718.75	(3,751.56)	46,967.19	46,967.19	53,316.88
2/01/2025	-	5,627.37	5,627.37	-	4,141.38	(3,419.06)	722.32	-	9,768.75	(3,419.06)	6,349.69	6,349.69	53,316.88
8/01/2025	30,514.00	5,627.37	36,141.37	9,486.00	4,141.38	(3,419.06)	10,208.32	40,000.00	9,768.75	(3,419.06)	46,349.69	46,349.69	52,049.38
2/01/2026	-	4,864.52	4,864.52	-	3,904.23	(3,069.06)	835.17	-	8,768.75	(3,069.06)	5,699.69	5,699.69	52,049.38
8/01/2026	32,120.00	4,864.52	36,984.52	12,880.00	3,904.23	(3,069.06)	13,715.17	45,000.00	8,768.75	(3,069.06)	50,699.69	50,699.69	55,631.56
2/01/2027	-	4,021.37	4,021.37	-	3,566.13	(2,655.63)	910.51	-	7,587.50	(2,655.63)	4,931.88	4,931.88	55,631.56
8/01/2027	33,895.00	4,021.37	37,916.37	106,105.00	3,566.13	(2,655.63)	107,015.51	140,000.00	7,587.50	(2,655.63)	144,931.88	144,931.88	147,361.26
2/01/2028	-	3,089.26	3,089.26	-	648.25	(1,308.13)	(659.88)	-	3,737.51	(1,308.13)	2,429.38	2,429.38	147,361.26
8/01/2028	35,858.00	3,089.26	38,947.26	9,142.00	648.25	(1,308.13)	8,482.12	45,000.00	3,737.51	(1,308.13)	47,429.38	47,429.38	49,017.82
2/01/2029	-	2,058.34	2,058.34	-	385.41	(855.31)	(469.90)	-	2,443.75	(855.31)	1,588.44	1,588.44	49,017.82
8/01/2029	38,030.00	2,058.34	40,088.34	6,970.00	385.41	(855.31)	6,500.10	45,000.00	2,443.75	(855.31)	46,588.44	46,588.44	47,299.38
2/01/2030	-	917.44	917.44	-	176.31	(382.81)	(206.50)	-	1,093.75	(382.81)	710.94	710.94	47,299.38
8/01/2030	29,358.00	917.44	30,275.44	5,642.00	176.31	(382.81)	5,435.50	35,000.00	1,093.75	(382.81)	35,710.94	35,710.94	35,710.94
Total	\$524,429.00	\$295,682.30	\$820,111.30	\$365,571.00	\$191,467.76	(\$170,502.52)	\$386,536.24	\$890,000.00	\$487,150.06	(\$170,502.52)	\$1,206,647.54	\$1,206,647.54	\$1,206,647.54

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

Ohio County
School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2010

ANNUAL DISTRICT DEBT SERVICE REQUIREMENTS

Fiscal Year Ended June 30	Existing Debt Service ⁽¹⁾	Taxable Series of 2010				Second Series of 2010			Third Series of 2010			Net New Debt Service
		Principal	Interest	35% Direct Pay	Total P+I	Principal	Interest	Total P+I	Principal	Interest	Total P+I	
2011	\$1,186,562.70	-	\$7,120.62	(\$6,247.50)	\$873.12	\$303,166.00	\$8,422.22	\$311,588.22	\$5,000.00	\$15,095.83	\$20,095.83	\$1,519,119.87
2012	1,128,787.14	\$20,355.00	14,139.47	(12,425.00)	22,069.47	301,360.00	8,197.96	309,557.96	15,000.00	36,180.00	51,180.00	1,511,594.57
2013	1,137,505.20	20,133.00	13,911.87	(12,267.50)	21,777.37	302,048.00	5,184.36	307,232.36	40,000.00	36,030.00	76,030.00	1,542,544.93
2014	1,225,055.06	19,857.00	13,637.11	(12,075.00)	21,419.11	216,388.00	2,163.88	218,551.88	40,000.00	35,630.00	75,630.00	1,540,656.05
2015	1,466,235.82	14,501.00	13,343.17	(11,847.50)	15,996.67	-	-	-	40,000.00	35,130.00	75,130.00	1,557,362.49
2016	1,462,966.32	19,034.00	12,960.23	(11,550.00)	20,444.23	-	-	-	40,000.00	34,490.00	74,490.00	1,557,900.55
2017	1,467,376.02	18,476.00	12,468.26	(11,182.50)	19,761.76	-	-	-	40,000.00	33,690.00	73,690.00	1,560,827.78
2018	1,465,166.64	12,848.00	12,021.50	(10,806.25)	14,063.25	-	-	-	40,000.00	32,790.00	72,790.00	1,552,019.89
2019	1,462,732.00	17,144.00	11,550.19	(10,395.00)	18,299.19	-	-	-	40,000.00	31,790.00	71,790.00	1,552,821.19
2020	1,467,488.38	11,359.00	11,072.82	(9,953.13)	12,478.69	-	-	-	45,000.00	30,690.00	75,690.00	1,555,657.07
2021	1,016,187.68	15,486.00	10,583.67	(9,476.25)	16,593.42	-	-	-	495,000.00	29,407.50	524,407.50	1,557,188.60
2022	1,020,469.78	14,517.00	10,002.96	(8,933.75)	15,586.21	-	-	-	510,000.00	15,300.00	525,300.00	1,561,355.99
2023	1,552,344.22	8,443.00	9,533.21	(8,393.44)	9,582.77	-	-	-	-	-	-	1,561,926.99
2024	1,547,906.12	12,254.00	9,078.08	(7,818.13)	13,513.96	-	-	-	-	-	-	1,561,420.08
2025	1,550,962.68	10,939.00	8,542.56	(7,170.63)	12,310.94	-	-	-	-	-	-	1,563,273.62
2026	1,551,125.30	9,486.00	8,045.61	(6,488.13)	11,043.49	-	-	-	-	-	-	1,562,168.79
2027	1,548,363.16	12,880.00	7,470.36	(5,724.69)	14,625.67	-	-	-	-	-	-	1,562,988.83
2028	1,322,644.04	106,105.00	4,214.38	(3,963.75)	106,355.63	-	-	-	-	-	-	1,428,999.67
2029	18,058.66	9,142.00	1,033.66	(2,163.44)	8,012.22	-	-	-	-	-	-	26,070.88
2030	-	6,970.00	561.72	(1,238.13)	6,293.60	-	-	-	-	-	-	6,293.60
2031	-	5,642.00	176.31	(382.81)	5,435.50	-	-	-	-	-	-	5,435.50
Total	\$24,597,936.92	\$365,571.00	\$191,467.76	(\$170,502.52)	\$386,536.24	\$1,122,962.00	\$23,968.42	\$1,146,930.42	\$1,350,000.00	\$366,223.33	\$1,716,223.33	\$27,847,626.91

Note: (1) Excludes refunded portion of 1999B and 2002 Bonds

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

**COMBINED OFFICIAL
TERMS AND CONDITIONS OF BOND SALE**

\$890,000*

**Ohio County (Kentucky) School District Finance Corporation
School Building Revenue Bonds, Series of 2010
Dated September 14, 2010**

AND

\$890,000*

**Ohio County (Kentucky) School District Finance Corporation
School Building Revenue Bonds, Taxable Series of 2010
(Build America Bonds – Direct Pay to Issuer)
Dated September 14, 2010**

SALE: August 26, 2010 AT 11:00 A.M., E.D.S.T.

These Bonds are offered for sale in the alternative as School Building Revenue Bonds the interest on which is exempt from Federal income taxation ("Tax Exempt Bonds" or "TEBS") and at the option of the Ohio County School District Finance Corporation ("Corporation" or "Issuer"), as School Building Revenue Bonds the interest on which is subject to Federal income taxation ("Build America Bonds" or "BABS").

For purposes of this combined Terms & Conditions the term "Bonds" has been used when describing characteristics common to both types of issues. When distinguishing between features unique to a particular issue the specific terms of "TEBS" or "BABS" have been utilized.

As advertised in The Courier-Journal, published in Louisville, Kentucky, the Ohio County (Kentucky) School District Finance Corporation ("Corporation") will until August 26, 2010, at the hour of 11:00 A.M., E.D.S.T., in the office of Dr. Robert E. Tarvin, Executive Director of the Kentucky School Facilities Construction Commission, 229 West Main Street, Suite 102, Frankfort, Kentucky 40601-1879, receive competitive bids for the revenue bonds herein described. To be considered bids must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated submitted manually, by facsimile or electronically via PARITY. Bids will be considered by the Corporation and may be awarded as TEBS or BABS at the discretion of the Corporation or its designee without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by up to \$90,000.

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.300 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), 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 Ohio 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 and the legality of the financing plan to be implemented by the Bonds herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance HVAC repairs to Ohio County High School (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school building to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2011. The statutory mortgage lien securing the Bonds is limited in its application to the exact site of the Project constructed from the proceeds of the Bonds; real estate unoccupied by the Project is unencumbered; provided, however, that said lien and pledge are inferior and subordinate to similar liens and pledges securing certain of the Corporation's outstanding School Building Revenue Bonds issued to improve or refinance the Project (the "Prior Lien Bonds").

Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of Bonds have the right to have a receiver appointed to administer the Project under KRS 162.220; foreclosure and sale are not available as remedies.

The rental of the Project from the Corporation to the Board is to be effected under a certain Contract, Lease and Option by and between the Corporation and the Board (the "Lease"), whereunder the Project is leased to the Board for the initial period ending June 30, 2011, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

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 KRS 157.627(5) and 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.

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately \$41,005 to be applied to the annual debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

As additional security for the Bonds the "Direct Pay" subsidy due from the United States equal to 35% of the annual interest requirements of the BABS shall be pledged to the payment thereof should the Corporation elect to issue BABS.

FEDERAL AUTHORITY

At the election of the Corporation the Bonds may be issued as "Build America Bonds" ("BABS") within the meaning of the American Recovery and Reinvestment Act of 2009 ("ARRA") portions of which have been codified as Section 54AA and Section 6431 of the Internal Revenue Code of 1986, as amended ("Code"). Should the Issuer elect to designate these Bonds as BABS then it will file the appropriate documentation with the United States Treasury Department and/or the Internal Revenue Service in order to obtain the "Direct Pay" subsidy from said Treasury in an amount equal to 35% of the annual interest requirements becoming due on said BABS over the entire term thereof. The interest subsidy will be paid by the United States directly to the Issuer (or its designee Bond Registrar/Paying Agent) and applied only to the payment of interest due on the Bonds or reimbursement to the Issuer for such payment.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

The Commission is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of Sections 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner in which will ensure an equitable distribution of funds based upon unmet need.

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Project and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately \$41,005 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2012 the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium;

however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

The Extraordinary Session of the General Assembly of the Commonwealth adopted the State’s Budget for the biennium ending June 30, 2012. *Inter alia*, the Budget funded \$150,000,000 of the Commission’s previous Offers of Assistance made during the last biennium; authorized \$100,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2014; authorized the Commission to issue up to \$65,500,000 in bonds to cover the funding of the category 5 buildings in the State that are identified on the Kentucky Department of Education list of May 18, 2010 (grantees required to meet certain qualifications); authorized the Commission to make use of Build America Bonds and Qualified Tax Credit Bonds now available under Federal law; and funded certain technology programs and a statewide building classification study.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project and secured by the same statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of said school building Project in accordance with the plans and specifications of the architect in charge of said Project, which plans have been completed, approved by the Board, Commissioner of Education, and filed in the office of the Secretary of the Corporation. It is now anticipated that additional parity bonds will in fact be issued to finance subsequent Phases of the Project.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of \$5,000 within the same maturity, bear interest from September 14, 2010, payable on March 1, 2011, and semi-annually thereafter and shall mature as to principal on September 1 in each of the years thereafter as follows:

PRINCIPAL MATURITIES – TAX EXEMPT BONDS AND BUILD AMERICA BONDS

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$ 40,000	2021	\$ 40,000
2012	40,000	2022	35,000
2013	40,000	2023	40,000
2014	35,000	2024	40,000
2015	40,000	2025	40,000
2016	40,000	2026	45,000
2017	35,000	2027	140,000
2018	40,000	2028	45,000
2019	35,000	2029	45,000
2020	40,000	2030	35,000

* Subject to a Permitted Adjustment of the amount of Bonds awarded of up to \$90,000 which may be applied in any or all maturities.

STANDARD OPTIONAL REDEMPTION

The Bonds maturing or subject to mandatory redemption on or after September 1, 2021 are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after September 1, 2020, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the Registered Owners of the Bonds so selected not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

EXTRAORDINARY REDEMPTION

Should the US Treasury or any agency of the United States of America at any time cease to remit to the Corporation (or at the Corporation’s direction) all or any part of the “Direct Pay” interest cost subsidy, then the right is reserved in the Corporation to redeem and retire all or any part of the principal amount of Bonds then outstanding in any order of maturities

(less than all of a single maturity to be selected by lot), on any date upon 30 days written notice as set forth in the preceding paragraph upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

BOND REGISTRAR AND PAYING AGENT

The Bonds are to be issued in fully registered form (both principal and interest). The Huntington National Bank, Cincinnati, Ohio, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co. Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see "BOOK-ENTRY-ONLY-SYSTEM" below. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on March 1 and September 1 of each year, beginning March 1, 2011 (Record Date is 15th day of month preceding interest due date).

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on Official Bid Form, contained in Information for Bidders available from the undersigned or J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky, by visiting pos.hilliard.com submitted manually, by facsimile or electronically via PARITY[®].

(B) 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 Bond Sale, 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. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

- (C) 1. The minimum bid for TEBS shall be not less than \$827,200 (98% of par) plus accrued interest.
2. The minimum bid for BABS shall be not less than \$876,650 (98.5% of par) plus accrued interest.
3. Interest rates for all Bonds shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate.
4. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

(D) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for exactly \$890,000 principal amount of Bonds offered for sale hereunder, but the Corporation may adjust the principal amount of Bonds upward or downward by \$90,000 ("Permitted Adjustment") which may be awarded to such best bidder may be a minimum of \$800,000 or a maximum of \$980,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price of which such adjusted principal amount of Bonds will be sold will be the same price per \$5,000 of Bonds as the price per \$5,000 for the \$890,000 of Bonds bid.

(E) The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each term bond specified, and (b) Term Bonds will be subject to mandatory redemption on September 1 in accordance with the maturity schedule setting the actual size of the issue.

(F) CUSIP identification numbers will be printed on the Bonds at the expense of the Corporation. The purchaser shall pay the CUSIP Service Bureau Charge. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for said Bonds in accordance with the terms of any accepted proposal for the purchase of said Bonds.

(G) The Corporation shall provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. A Final Official Statement will be provided in Electronic Form to the successful bidder, in sufficient time to meet the delivery requirements of the successful bidder under SEC and Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder will be required to pay for the printing of Final Official Statements.

(H) Bids need not be accompanied by a certified or bank cashier's good faith check, BUT the successful bidder will be required to wire transfer an amount equal to 2% of the amount of the principal amount of Bonds awarded to the order of the Corporation by the close of business on the day following the award. Said good faith amount which will be forfeited as liquidated damages in the event of a failure of the successful bidder to take delivery of such Bonds when ready. The good faith amount (without interest) will be applied to the purchase price upon delivery of the Bonds. The successful bidder shall not be required to take up and pay for said Bonds unless delivery is made within 45 days from the date the bid is accepted.

(I) Delivery will be made utilizing the DTC Book-Entry-Only-System.

(J) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The TEBS are offered for sale on the basis of the principal and interest not being subject to Federal or Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery. Interest on the BABS is subject to Federal income taxation but not Kentucky income taxation nor is principal on the BABS subject to Kentucky ad valorem taxation. See Tax Treatment.

(K) The successful bidder of the BABS will be required to certify to the Corporation, on behalf of the purchasing syndicate, (1) the bona fide initial offering or reoffering prices of the BABS to the public (excluding bond houses, brokers and other intermediaries), at which prices a substantial amount (at least 10%) of each maturity of the BABS are reasonably expected to be sold and the amounts of the premium and taxes related to any municipal bond insurance policy purchased by the successful bidder in respect of the BABS; (2) that the Corporation may rely on such certifications in complying with the arbitrage provisions of the Internal Revenue Code; and (3) that at closing the successful bidder will affirm the foregoing certifications and provide any information (within the successful bidder's knowledge) required by the Corporation to comply with the arbitrage provisions of the Internal Revenue Code. The issue price (reoffering price) of each maturity of the BABS shall not exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the BABS (September 1, 2020).

(L) As set forth in paragraph (K) above, the issue price (reoffering price) of each maturity of the BABS must be specified and cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the BABS of that maturity. Accordingly, the reoffering price for each respective maturity of the BABS (expressed as a percentage of the principal amount), may not exceed the amounts shown in the following table:

Maturity	Principal	Maximum Price (As a % of Par)
8/1/2011	\$40,000.00	100.00%
8/1/2012	40,000.00	100.25
8/1/2013	40,000.00	100.50
8/1/2014	35,000.00	100.75
8/1/2015	40,000.00	101.00
8/1/2016	40,000.00	101.25
8/1/2017	35,000.00	101.50
8/1/2018	40,000.00	101.75
8/1/2019	35,000.00	102.00
8/1/2020	40,000.00	102.25
8/1/2021	40,000.00	102.25
8/1/2022	35,000.00	102.25
8/1/2023	40,000.00	102.25
8/1/2024	40,000.00	102.25
8/1/2025	40,000.00	102.25
8/1/2026	45,000.00	102.25
8/1/2027	140,000.00	102.25
8/1/2028	45,000.00	102.25
8/1/2029	45,000.00	102.25
8/1/2030	35,000.00	102.25

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 as 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 State Board for Elementary and Secondary 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 guaranteed to each school district by SEEK for operating and capital expenditures is determined in each fiscal year by dividing the total annual SEEK appropriation by the state-wide 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), number and types of exceptional children, and transportation costs.

KRS 157.420 establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$3,866) for the current biennium which is required to be segregated into a 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.

KRS 160.470(12)(a) requires that effective for fiscal years beginning July 1, 1990 each school district shall levy a minimum equivalent tax rate of \$.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 levied by the district (including utilities gross receipts license and special voted) for school purposes is divided by the total assessed value of property, plus the assessment for motor vehicles certified by the Revenue Cabinet of the Commonwealth. Any school district board of education which fails to comply with the minimum equivalent tax rate levy shall be subject to removal from office.

KRS 160.470(12)(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 the SEEK program. Any increase beyond the 4% annual limitation imposed by KRS 132.017 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 Kentucky School Facilities Construction 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 required by KRS 160.470(12). 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 Kentucky Facilities Support ("KFS") program 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 under KRS 157.440(1)(b).

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.

BIENNIAL BUDGET FOR 2010 -2012

Following its failure to adopt the required Biennial Budget for the Commonwealth during its 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.

CONTINUING DISCLOSURE

As a result of the principal amount of Bonds being offered not exceeding \$1,000,000 Bond Counsel has advised the Corporation and the Board that they are exempt from application of the Rule 15c2-12c2-12(b)(5) of the Securities and Exchange Commission

Financial information regarding the Board may be obtained from Superintendent, Ohio County School District Board of Education, PO Box 70, 315 E. Union Street, Hartford, Kentucky 42347 Telephone 270-298-3249.

TAX TREATMENT

TAX EXEMPT BONDS; BANK QUALIFIED

Bond Counsel is of the opinion that the TEBS are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended, and therefore advises as follows:

(A) The TEBS and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the TEBS is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law; provided, that the corporate entities noted below are advised of certain tax consequences as follows:

(1) In the computation of the corporate minimum tax, earnings and profits may include otherwise tax-exempt interest on the TEBS; this provision applies to corporations only.

(2) Property and casualty insurance companies may be denied certain loss reserve deductions to the extent of otherwise tax-exempt interest on the TEBS.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than \$30,000,000 of qualified tax-exempt obligations during the calendar year ending December 31, 2010, the TEBS may be treated by financial institutions as if they were acquired before August 8, 1986.

(D) The interest income from the TEBS is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law for individuals; however, said income must be included in the calculation of "modified adjusted gross income" in the determination of whether and to what extent Social Security benefits are subject to Federal income taxation..

BUILD AMERICA BONDS: INTEREST SUBJECT TO FEDERAL INCOME TAXATION; NO TAX CREDIT AVAILABLE

In accordance with Section 54AA of the Code interest on the BABS is includable in the reporting of gross income by the recipients thereof for Federal income tax purposes. The Registered Owners of the Bonds shall not be entitled to any Federal income tax credits as a result of the ownership of the BABS.

INTEREST NOT SUBJECT TO STATE INCOME TAXATION

Interest on the BABS is exempt from income taxation by the Commonwealth of Kentucky and all of its political subdivisions and the principal is exempt from ad valorem taxation by same.

ORIGINAL ISSUE PREMIUM

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Tax-Exempt Bonds that bear an interest rate that is higher than the yield (as shown on the cover page of the Final Official Statement), are being initially offered and sold to the public at an Acquisition Premium ("Premium Bonds"). For Federal income tax purposes, the amount of Acquisition Premium on each TEB must be amortized and will reduce the Owners adjusted basis in that bond. However, no amount of amortized Acquisition Premium on TEBS may be deducted in determining the Owners taxable income for Federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any TEBS, that must be amortized during any period will be based on the "constant yield" method, using the original Owners basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Owners of any TEBS, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

ORIGINAL ISSUE DISCOUNT

The TEBS that bear an interest rate that is lower than the yield (as shown on the Final Official Statement) are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon ("Discount Bonds"). OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For Federal income tax purposes, OID on each bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually ("yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial Owner of a Discount Bond at its issue price, the portion of OID that accrues during the period that such Owner owns the Discount Bond is added to such Owners tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and should be treated as stated interest, which is excludable from gross income for Federal income tax purposes.

Owners of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for respective state tax purposes.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

DTC will act as securities depository for the Bonds. The Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond Certificate will be issued, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC 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 securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

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 Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are 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 ("Beneficial Ownership Interest") are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their Beneficial Ownership interests in Bonds, except in the event that use of the book-entry system for the Securities is discontinued. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co., effect no 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 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.

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

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments of the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' account on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. 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, the Issuer, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Trustee, disbursements of such payments to Direct Participants shall be the responsibility of DTC, and disbursements of such payment to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Beneficial Ownership Interests purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Beneficial Ownership Interests by causing the Direct Participant to transfer the Participant's interest in the Beneficial Ownership Interests, on DTC's records, to the purchaser or the Trustee, as appropriate. The requirements for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

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

NEITHER THE ISSUER, THE BOARD NOR THE BOND REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE BOND REGISTRAR/PAYING AGENT AS BEING AN OWNER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

**OHIO COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION**

**by s/ Soretta Ralph
Secretary**

THIS PAGE INTENTIONALLY
LEFT BLANK

OFFICIAL BID FORM – TAX-EXEMPT INTEREST
(Bond Purchase Agreement)

The Ohio County (Kentucky) School District Finance Corporation (“Corporation” or “Issuer”), will until 11:00 A.M., E.D.S.T., on August 26, 2010, receive in the office of Dr. Robert E. Tarvin, Executive Director of the Kentucky Schools Facilities Construction Commission, Suite 102, 229 W. Main Street, Frankfort, Kentucky 40601, (telephone 502-564-5582; Fax 502-564-3412) competitive bids for its \$890,000 School Building Revenue Bonds, Series of 2010, dated September 14, 2010 (date of delivery); maturing September 1, 2011 through 2030 (“Bonds”).

PROSPECTIVE BIDDERS ARE ADVISED THAT WHILE THE BONDS HEREIN IDENTIFIED ARE OFFERED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” THE ISSUER IS CONCURRENTLY OFFERING IN THE ALTERNATIVE THE SAME PRINCIPAL AMOUNT OF ITS “BUILD AMERICA BONDS” THE INTEREST ON WHICH WILL BE SUBJECT TO FEDERAL INCOME TAXATION. REFERENCE IS HEREBY MADE TO THE “TERMS AND CONDITIONS OF BOND SALE – TAXABLE INTEREST” AND “OFFICIAL BID FORM - TAXABLE INTEREST” FOR SAID BUILD AMERICA BONDS.

We hereby bid for said \$890,000* principal amount of Bonds, the total sum of \$_____ (not less than \$872,200) plus accrued interest from September 14, 2010 payable March 1, 2011 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on September 1 in the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2011	\$ 40,000	_____ %	2021	\$ 40,000	_____ %
2012	40,000	_____ %	2022	35,000	_____ %
2013	40,000	_____ %	2023	40,000	_____ %
2014	35,000	_____ %	2024	40,000	_____ %
2015	40,000	_____ %	2025	40,000	_____ %
2016	40,000	_____ %	2026	45,000	_____ %
2017	35,000	_____ %	2027	140,000	_____ %
2018	40,000	_____ %	2028	45,000	_____ %
2019	35,000	_____ %	2029	45,000	_____ %
2020	40,000	_____ %	2030	35,000	_____ %

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as \$980,000 of Bonds or as little as \$800,000 of Bonds, at the same price per \$5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each Term Bond specified, and (b) Term Bonds will be subject to mandatory redemption on September 1 in accordance with the maturity schedule setting the actual size of the issue.

The DTC Book-Entry-Only-System will be utilized on delivery of this issue.

It is understood that the Corporation will furnish the final approving Legal Opinion of Henry M. Reed III, Bond Counsel, Louisville, Kentucky.

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through The Huntington National Bank, Cincinnati, Ohio, Attn: Ms. Cheri Scott-Geraci, (513-366-3073).

Bids must be submitted only on this form and must be fully executed.

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about September 14, 2010 and upon acceptance by the Issuer's Financial Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

Bidder

By _____
Authorized Officer

Address

Total interest cost from September 14, 2010 to final maturity \$ _____

Plus discount or less any premium \$ _____

Net interest cost (Total interest cost plus discount or less any premium) \$ _____

Average interest rate or cost (i.e. NIC) _____%

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

Accepted by J.J.B. Hilliard, W.L. Lyons, LLC, as Financial Advisor and Agent for the Ohio County School District Finance Corporation for \$ _____ amount of Bonds at a price of \$ _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2011	_____,000	_____ %	2021	_____,000	_____ %
2012	_____,000	_____	2022	_____,000	_____
2013	_____,000	_____	2023	_____,000	_____
2014	_____,000	_____	2024	_____,000	_____
2015	_____,000	_____	2025	_____,000	_____
2016	_____,000	_____	2026	_____,000	_____
2017	_____,000	_____	2027	_____,000	_____
2018	_____,000	_____	2028	_____,000	_____
2019	_____,000	_____	2029	_____,000	_____
2020	_____,000	_____	2030	_____,000	_____

Dated: August 26, 2010

J.J.B. Hilliard, W.L. Lyons, LLC,
as Agent for the Ohio County
School District Finance Corporation

OFFICIAL BID FORM –TAXABLE INTEREST

(Bond Purchase Agreement)

The Ohio County (Kentucky) School District Finance Corporation (“Corporation” or “Issuer”), will until 11:00 A.M., E.D.S.T., on August 26, 2010, receive in the office of Dr. Robert E. Tarvin, Executive Director of the Kentucky Schools Facilities Construction Commission, Suite 102, 229 W. Main Street, Frankfort, Kentucky 40601, (telephone 502-564-5582; Fax 502-564-3412) competitive bids for its \$890,000 School Building Revenue Bonds, Taxable Series of 2010, dated September 14, 2010; (Build America Bonds - Direct Pay to Issuer) maturing September 1, 2011 through 2030 (“Bonds”).

PROSPECTIVE BIDDERS ARE ADVISED THAT WHILE THE BONDS HEREIN IDENTIFIED ARE OFFERED AS “BUILD AMERICA BONDS” THE INTEREST ON WHICH IS SUBJECT TO FEDERAL INCOME TAXATION THE ISSUER IS CONCURRENTLY OFFERING IN THE ALTERNATIVE THE SAME PRINCIPAL AMOUNT OF ITS “QUALIFIED TAX-EXEMPT OBLIGATION” THE INTEREST ON WHICH WILL BE EXEMPT FROM FEDERAL INCOME TAXATION. REFERENCE IS HEREBY MADE TO THE COMBINED “OFFICIAL TERMS AND CONDITIONS OF BOND SALE” AND “OFFICIAL BID FORM - TAX-EXEMPT INTEREST”.

We hereby bid for said \$890,000* principal amount of Bonds, the total sum of \$_____ (not less than \$876,650) plus accrued interest from September 14, 2010 payable March 1, 2011 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on September 1 in each of the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Max Price</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Max Price</u>
2011	\$ 40,000	_____%	100.00%	2021	\$ 40,000	_____%	102.25%
2012	40,000	_____%	100.25	2022	35,000	_____%	102.25
2013	40,000	_____%	100.50	2023	40,000	_____%	102.25
2014	35,000	_____%	100.75	2024	40,000	_____%	102.25
2015	40,000	_____%	101.00	2025	40,000	_____%	102.25
2016	40,000	_____%	101.25	2026	45,000	_____%	102.25
2017	35,000	_____%	101.50	2027	140,000	_____%	102.25
2018	40,000	_____%	101.75	2028	45,000	_____%	102.25
2019	35,000	_____%	102.00	2029	45,000	_____%	102.25
2020	40,000	_____%	102.25	2030	35,000	_____%	102.25

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as \$980,000 of Bonds or as little as \$800,000 of Bonds, at the same price per \$5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each Term Bond specified, and (b) Term Bonds will be subject to mandatory redemption on September 1 in accordance with the maturity schedule setting the actual size of the issue.

If this bid is accepted and the Bonds are awarded to us, we will at the time of such acceptance certify to the Corporation, on behalf of the undersigned and our syndicate or selling group, (1) the bona fide initial offering or reoffering prices of the Bonds to the public (excluding bond houses, brokers and other intermediaries), at which prices a substantial amount (at least 10%) of each maturity of the Bonds are reasonably expected to be sold and the amounts of the premium and taxes related to any municipal bond insurance policy purchased by us in respect of the Bonds; (2) that the Corporation may rely on such certifications in complying with the arbitrage provisions of the Internal Revenue Code; and (3) that at closing we will affirm the foregoing certifications and provide any information (within the successful bidder's knowledge) required by the Corporation to comply with the arbitrage provisions of the Internal Revenue Code. The issue price (reoffering price) of each maturity of the Bonds shall not exceed the par amount of such maturity by more than .25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the Bonds (September 1, 2020).

The DTC Book-Entry-Only-System will be utilized on delivery of this issue.

It is understood that the Corporation will furnish the final approving Legal Opinion of Henry M. Reed III, Bond Counsel, Louisville, Kentucky.

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through The Huntington National Bank, Cincinnati, Ohio, Attn: Ms. Cheri Scott-Geraci, (513-366-3073).

Bids must be submitted only on this form and must be fully executed.

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about September 14, 2010 and upon acceptance by the Issuer's Financial Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

Bidder

By _____
Authorized Officer

Address

Total interest cost from September 14, 2010 to final maturity	\$ _____
Plus discount or less any premium	\$ _____
Net interest cost (Total interest cost plus discount or less any premium)	\$ _____
Average interest rate or cost (i.e. NIC)	_____ %

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

Accepted by J.J.B. Hilliard, W.L. Lyons, LLC, as Financial Advisor and Agent for the Ohio County (Kentucky) School District Finance Corporation for \$_____ principal amount of Bonds at a price of \$_____, said acceptance constituting an irrevocable election by the Issuer to designate said Bonds as “Build America Bonds – Direct Pay to Issuer”. Principal maturities and interest rates to be as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2011	_____,000	_____ %	2021	_____,000	_____ %
2012	_____,000	_____	2022	_____,000	_____
2013	_____,000	_____	2023	_____,000	_____
2014	_____,000	_____	2024	_____,000	_____
2015	_____,000	_____	2025	_____,000	_____
2016	_____,000	_____	2026	_____,000	_____
2017	_____,000	_____	2027	_____,000	_____
2018	_____,000	_____	2028	_____,000	_____
2019	_____,000	_____	2029	_____,000	_____
2020	_____,000	_____	2030	_____,000	_____

Dated: August 26, 2010

 J.J.B. Hilliard, W.L. Lyons, LLC, as Agent for the
 Ohio County School District Finance Corporation