

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION, RELATING TO AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$850,000 PRINCIPAL AMOUNT (WHICH MAY BE DECREASED BY AN AMOUNT DETERMINED TO BE IN THE BEST INTEREST OF THE CORPORATION) OF SCHOOL BUILDING REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, IN ACCORDANCE WITH SECTIONS 162.120 THROUGH 162.300 AND 162.385 OF THE KENTUCKY REVISED STATUTES, TO PROVIDE FUNDS FOR THE REFUNDING OF THE OUTSTANDING DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES 2011; PROVIDING AND DETERMINING THE DUTY OF THE CORPORATION IN CONNECTION WITH THE OPERATION OF THE SCHOOL PROPERTY AND THE CREATION OF FUNDS SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AS AND WHEN THEY MATURE AND THE CREATION OF AN ADEQUATE MAINTENANCE AND INSURANCE FUND; AND AUTHORIZING THE EXECUTION OF A LEASE AND OTHER INSTRUMENTS WITH RESPECT TO SUCH PROPERTY WITH THE BOARD OF EDUCATION OF THE DAYTON INDEPENDENT SCHOOL DISTRICT.

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A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION, RELATING TO AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$850,000 PRINCIPAL AMOUNT (WHICH MAY BE DECREASED BY AN AMOUNT DETERMINED TO BE IN THE BEST INTEREST OF THE CORPORATION) OF SCHOOL BUILDING REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, IN ACCORDANCE WITH SECTIONS 162.120 THROUGH 162.300 AND 162.385 OF THE KENTUCKY REVISED STATUTES, TO PROVIDE FUNDS FOR THE REFUNDING OF THE OUTSTANDING DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES 2011; PROVIDING AND DETERMINING THE DUTY OF THE CORPORATION IN CONNECTION WITH THE OPERATION OF THE SCHOOL PROPERTY AND THE CREATION OF FUNDS SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AS AND WHEN THEY MATURE AND THE CREATION OF AN ADEQUATE MAINTENANCE AND INSURANCE FUND; AND AUTHORIZING THE EXECUTION OF A LEASE AND OTHER INSTRUMENTS WITH RESPECT TO SUCH PROPERTY WITH THE BOARD OF EDUCATION OF THE DAYTON INDEPENDENT SCHOOL DISTRICT.

WHEREAS, the Dayton Independent School District Finance Corporation (the "Corporation") is a nonprofit, nonstock, public and charitable corporation duly organized pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and KRS Section 58.180 and KRS Chapter 273, existing by virtue of the laws of the Commonwealth of Kentucky, having for its corporate purpose cooperation with the Board of Education (the "Board") of the Dayton Independent School District (the "District"), in financing and refinancing the costs incident to the acquisition, construction, installation, and equipping of school buildings necessary for the Board to fulfill its duties delegated under KRS Chapter 160 in maintaining a system of common schools, and

WHEREAS, the Corporation, acting by and through its Board of Directors, desires, pursuant to the direction of the District, to provide funds to supplement available funds of the Board in order to refund all or a portion of the outstanding Dayton Independent School District Finance Corporation School Building Revenue Bonds, Series 2011 (the "Refunded Prior Bonds"), the proceeds of which were used to finance construction of roof replacements at Dayton Elementary and Dayton High School (the "Project"); and

WHEREAS, the present conditions of the municipal bond market are more favorable at the present time than on the date on which the Refunded Prior Bonds were sold, making it possible for the Board and the Corporation to realize substantial savings in interest costs by refinancing the debt represented by the Refunded Prior Bonds through the issuance of a sufficient principal amount of Dayton Independent School District Finance Corporation School Building Revenue Refunding Bonds, in one or more series (the "Bonds") to provide funds which shall be deposited into a special escrow account (the "Escrow Fund") and applied solely for the purpose of defeasing the Refunded Prior Bonds; and

WHEREAS, the refunding of the Refunded Prior Bonds is authorized by the provisions of §§ 162.120 through 162.300 and §§ 58.010 through 58.140 of the Kentucky Revised Statutes; and

WHEREAS, the Board has agreed to use and occupy the Project pursuant to the terms of a Contract, Lease and Option (the “the “Lease”) hereinafter provided, and the Board has been examined and is now found and declared to be in conformity with statutory requirements, and, in order to pay the cost of refunding the Refunded Prior Bonds it is necessary that the Corporation authorize not to exceed \$850,000 of the Bonds, all pursuant to and as permitted by Sections 162.120 through 162.300 and 162.385 of Kentucky Revised Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION, AS FOLLOWS:

SECTION 1. Approval of Contract, Lease and Option. As set forth in the recitals hereto and as hereby confirmed, the Board agrees to lease the Project from the Corporation pursuant to the terms and upon the conditions of a Contract, Lease and Option dated as of the date of initial issuance and delivery (the “Lease”), the form of which is attached hereto. If and when tendered by the Board, the Lease will be accepted by the Corporation, the form of the Lease having been examined, considered and approved. The President and Secretary are hereby authorized and empowered to take such actions and execute the Lease on behalf of the Corporation upon execution and delivery by the Board to the Corporation of the Lease.

The Board has been determined to be entitled to financial assistance from the Kentucky School Facilities Construction Commission (the “Commission”) pursuant to the provisions of §§ 157.611 through 157.640 of the Kentucky Revised Statutes and the Commission and the Board will enter into a Participation Agreement to be dated as of the dated date of the Bonds (the “Participation Agreement”) in order to implement the Commission’s assistance to the Board through the annual payment of an Agreed Participation, as defined in the Participation Agreement, which is to be applied directly to the payment of a portion of the principal and interest requirements for the Bonds. Under the terms of the Lease, the Board has pledged and assigned all of its rights to the Agreed Participation from the Commission to the Corporation in order to secure the payment of the annual rentals due thereunder and accordingly the principal and interest requirements on the Bonds. The Participation Agreement is hereby incorporated by reference in this Resolution as fully as if copied herein and the assignment thereof by the Board to the Corporation is hereby accepted.

SECTION 2. Authorization of School Building Revenue Refunding Bonds. For the purposes recited in the preamble hereto there are hereby authorized and ordered to be issued and sold the negotiable “Dayton Independent School District Finance Corporation School Building Revenue Refunding Bonds, Series 20__,” dated their date of initial issuance and delivery, in the aggregate principal amount not to exceed \$850,000 (subject to the Permitted Adjustment, as hereinafter defined). All Bonds are to be in denominations in multiples of \$5,000 within the same maturity. The Bonds shall be issued in fully registered (both principal and interest) form, bear interest from date of issue, payable semiannually as determined by the Secretary of the Corporation, at the interest rates not exceeding the legal maximum as may be fixed as a result of the advertised sale of the Bonds, and shall mature on such annual date in the years and in the

principal amounts as are determined by the Secretary of the Corporation after the sale of the Bonds.

Notwithstanding anything contained in this Bond Resolution to the contrary, the Bonds shall be offered for sale in accordance with the provisions hereof and the determination of the best purchase bid for the Bonds shall be made on the basis of all bids submitted for exactly the principal amount of Bonds offered for sale under the terms and conditions herein specified; provided however, the Corporation also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote desired annual debt service levels (the "Permitted Adjustment"). If the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid

The Bonds shall bear interest from the date of initial issuance and delivery, payable on [_____, 20__] semiannually; interest being payable by the Paying Agent hereinafter designated directly to the registered owners of the Bonds (as of the 15th day of the month preceding the due date) by remittances made through regular United States Mail. Bonds shall be payable at maturity upon their surrender to the Paying Agent.

The Bonds shall be subject to redemption at the option of the Corporation prior to their stated maturities as determined by the Secretary of the Corporation.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities on any date, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, 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 days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

If the successful bidder and original purchaser of the Bonds elects, in accordance with the provisions of the Official Terms and Conditions of Bond Sale, to combine the Bonds stated to mature on the maturity dates set out in the successful bid of such original purchaser to comprise a term bond ("Term Bonds"), as set out in said successful bid, then such Term Bonds shall be subject to mandatory redemption in part, at the selection of the Paying Agent and Bond Registrar by lot in such manner as the Paying Agent and Bond Registrar may determine, from moneys in the Sinking Fund at par plus accrued interest to the redemption date, according to the mandatory sinking fund redemption schedule or schedules set out in the accepted bid (subject to the Permitted Adjustment as herein provided).

SECTION 3. Place of Payment and Execution of Bonds. Both principal of and interest on the Bonds shall be payable at such bank or trust company as may be authorized by the Secretary

of the Corporation, which bank is hereby designated as the Paying Agent and Bond Registrar in connection with the issuance of the Bonds. Principal and interest shall be payable without deduction for exchange or collection charges in lawful money of the United States of America. Under the Lease, all fees and expenses of the Paying Agent and Bond Registrar shall be the responsibility of the Board and shall be considered as additional rentals under the Lease.

The Bonds shall be executed on behalf of the Corporation with the duly authorized facsimile signature of the President, attested by the authorized, reproduced, facsimile signature of the Secretary and said officials, by the execution of the appropriate certifications, shall adopt as and for their own proper signatures their respective facsimile signatures as appear on the Bonds.

Notwithstanding anything contained herein to the contrary, the Bonds shall not be valid or binding upon the Corporation unless and until the Bonds are validated by the manual signature of the duly authorized representative of the Bond Registrar.

The Bonds shall be in substantially the same forms as the form of Bond attached to this Bond Resolution as Exhibit A, with appropriate substitutions or modifications.

SECTION 4. Bonds Not to Constitute an Indebtedness of Corporation. The Bonds issued and outstanding from time to time under the restrictions and conditions set forth in this Bond Resolution shall be payable solely from and secured by a pledge of the fixed amount of the gross income and revenues to be derived from the leasing of the Project to the Board, including those payments under the Agreed Participation due from the Commission to the Board, which is to be set aside into the Bond Fund hereinafter established, all as provided by law, and shall not constitute an indebtedness of the Corporation or the District within the meaning of the Constitution or laws of the Commonwealth.

By the adoption of this Bond Resolution, the Corporation covenants that it will fix and maintain rentals and charges for the use of the Project identified herein, including all improvements thereon, adequate to maintain the Bond Fund at levels sufficient to meet the principal and interest requirements on the Bonds as the same become due and sufficient to maintain a fund adequate to pay the costs of depreciation, maintenance, and insurance of the Project.

SECTION 5. Fiscal Year; Bond Sinking Fund and Escrow Fund Established; Insurance and Maintenance Funds. The Project shall be operated on a fiscal year basis, commencing July 1 of each year, and on that basis the income and revenues from the Project shall be set apart into separate and special funds to be used for the retirement of the Bonds and the maintenance of the Project.

There shall be and there is hereby created accounts to be known as the “Dayton Independent School District Finance Corporation School Building Series 20__ Revenue Bond and Interest Redemption Fund” (the “Bond Fund”), to be deposited with the Paying Agent, into which there shall first be set aside from the proceeds of the sale of the Bonds the amount received from the purchaser representing accrued interest. Thereafter, there shall also be set aside into the Bond Fund from the first gross income and revenues of the Project not less than the

amounts sufficient to pay the principal and interest requirements of the Bonds, which amounts are hereby exclusively pledged to and shall be used only for the purpose of paying the interest on and the principal of the Bonds as and when they become due. The payment by the Commission of semi-annual installments on its annual Agreed Participation shall be considered timely if made on the interest due dates for the Bonds in immediately available funds.

In any event, there shall be set aside into the Bond Fund and there are pledged such amounts as may from year to year be necessary to meet the principal and interest requirements of the Bonds. The rental payments specified in the Lease are hereby pledged by the Corporation as the security and source of payment of the Bonds and so long as any of the Bonds remain outstanding the terms and amounts of the rental payments shall not be reduced.

There shall also be set aside sufficient revenues in a depreciation fund to be expended in making good any depreciation of the Project and in paying the cost of any extensions, additions or improvements.

The balance of the income and revenues remaining after the aforesaid payments into the Bond Fund and depreciation fund have been made shall be set aside into a maintenance fund and used for the maintenance of the Project and to pay the cost of insuring the Project against loss or damage by fire, lightning, windstorm or other hazard in an amount substantially equal to either the amount of the Bonds at any time outstanding or the maximum insurable value of the Project, whichever is greater. Such insurance shall be for the use and benefit of the holder or holders of any Bonds to the extent there are Bonds outstanding.

It is further agreed that in case the Project is totally destroyed by fire, lightning, windstorm or other hazard covered by insurance, the Corporation shall have the right to expend such proceeds to restore the property; that if such proceeds are not expended by the Corporation for the restoration of said property at the earliest practicable date, then all such insurance proceeds shall be used for the purpose of redeeming outstanding Bonds, and the Project shall be and become the property of the Board upon retirement and payment in full of all outstanding Bonds and the interest, in which case the Corporation shall convey the Project to the Board free and clear of all encumbrances. In the event of partial destruction by fire, lightning, windstorm or other hazard covered by insurance, the insurance proceeds shall be used solely and only for the purpose of making the necessary replacements and repairs to the Project, provided further that if following such partial or complete destruction any principal or interest payment is due and there are not other funds available for the payments, the insurance proceeds must be applied to the defaulted payments.

SECTION 6 Corporation's Covenants to Perform Obligations. The Corporation hereby covenants and agrees with the holder or holders of the Bonds herein authorized that it will faithfully and punctually perform all duties with reference to the Project which is required by the Constitution and laws of Kentucky, including the making and collection of reasonable and sufficient rentals for the Project, and will segregate the revenues of the Project and make application to the respective funds herein created.

The Corporation further binds and obligates itself not to sell, mortgage or in any manner dispose of the Project until all of the Bonds shall have been paid in full both as to principal and interest; subject to the Board's options to purchase the Project as set forth in Section 7.

SECTION 7. Board's Options to Purchase Project. The Bonds are issued subject to the Board's right on any date to purchase the Project from the Corporation and to secure the release of the Project from the statutory mortgage lien and pledge of revenues securing the Bonds, for a price equal to the principal amount of the Bonds outstanding on the date upon which the option is exercised, plus a sum equal to the accrued interest on the principal amount of Bonds to the date upon which the option is exercised, plus a further sum sufficient to accomplish the complete redemption and retirement (or defeasance) of the principal amount of the Bonds, including additional interest or premium.

If the Board shall desire to exercise the option, it may do so by giving notice of its election in writing to the Corporation at least ninety (90) days prior to the interest due date upon which it desires to exercise the option. Thereupon, the Corporation shall call for payment a principal amount of the Bonds equal to such sum, the call to be strictly in accordance with the provisions of the Bonds and of this Bond Resolution. Notwithstanding anything contained in this Bond Resolution to the contrary, the Board shall have the right to exercise its option to purchase through the defeasance of the Bonds in the event the Bonds are not immediately subject to prior redemption on the date the option is exercised; provided, however, that sufficient funds shall be deposited in escrow to provide for the principal and interest requirements becoming due on the Bonds, and all expenses incident to the defeasance of the Bonds by the Board until such time as the Bonds are fully paid and retired.

SECTION 8. Statutory Mortgage Lien Created; Pledge of Revenues from Lease of Properties. For the protection of the holders of the Bonds, a statutory mortgage lien and pledge of the gross revenues derived from the Project are granted pursuant to Section 162.200 of Kentucky Revised Statutes, which lien and pledge of revenues are hereby recognized and declared to be valid and binding upon the Corporation and the Project herein referred to and shall take effect immediately, such statutory mortgage liens and pledges of revenues being subject to the terms and conditions as set out in the form of the Bond referred to in Section 3 hereof.

Any holder of the Bonds, whether at law or in equity, by suit or other legal proceedings, may enforce and compel the performance of all duties required by the Constitution and Statutes of Kentucky, including the charging and collection of sufficient rent, the segregation of income and the application thereof, insofar as the failure to perform such duties affects the interests of any Registered Owner of the Bonds herein authorized.

If there be any default in the payment of the principal of or interest on any of the Bonds, then upon the filing of suit by any holder of the Bonds, any court having jurisdiction of the action may appoint a receiver to administer the property, with power to charge and collect rents sufficient to provide for the payment of interest and principal required by the Bonds and maintain the maintenance and insurance fund herein provided for. The reasonable legal fees and the court costs, if any, incurred by any holder of the Bonds in connection with the appointment of such a receiver shall be paid from the revenues of the Project.

SECTION 9. No Priority Among Bonds. The Bonds authorized to be issued hereunder shall not be entitled to priority one over the other, regardless of the fact that they may be issued and delivered at different times.

SECTION 10. Parity Bonds. While any of the Bonds herein authorized or permitted to be issued are outstanding, the Corporation hereby reserves the right and privilege of issuing additional bonds from time to time, payable from the income and revenues of the Project, and ranking on a parity with the Bonds herein authorized but only if and to the extent the issuance of such additional parity bonds are in accordance with the plans and specifications which have already been completed, approved by the Commissioner of the Department of Education and by the Board of Education, and filed in the office of the Secretary, and the issuance thereof shall be approved by the proper agents of the State Department of Education as required by law, and a Supplemental Contract, Lease and Option shall have been entered into, whereunder the annual rental payments during the life of such additional bonds are increased by the amount of annual interest and principal requirements of such additional bonds.

SECTION 11. Covenant to Keep Proper Records. So long as any of the Bonds are outstanding, the Corporation shall require the Board to keep proper books and records (separate from all other records and accounts) of all transactions regarding the Bonds. It shall require the Board to furnish the original purchaser of the Bonds and to the holder of any of the Bonds, upon written request, not more than thirty (30) days after the close of each fiscal period, complete operating and income statements certified by the auditors or auditor of the Board, and will require the Board to grant to the holders of no less than twenty-five percent of the Bonds then outstanding, the right at all reasonable times to inspect the project property and all records and accounts of the Corporation or the Board relating thereto.

SECTION 12. Conditions of Bond Sale; Acceptance of Bid. The Bonds shall be sold at public sale after advertising according to law. The Secretary is hereby authorized and directed to make such advertising, and all actions heretofore taken in such regard are ratified and approved. The specific terms, bidding conditions and restrictions governing the sale of said Bonds shall be as set forth in the forms of "Notice of Bond Sale," "Official Terms and Conditions of Bond Sale" and "Official Bid Form" which have been prepared by Dinsmore & Shohl LLP, Bond Counsel, Covington, Kentucky, and are attached to and made a part of this Resolution as Exhibits B, C and D, respectively, and which forms having been examined and considered, are hereby ratified and approved. The Secretary is hereby directed to utilize the forms in connection with the sale of the Bonds, and all actions heretofore taken in such regard are ratified and approved.

The Secretary is hereby authorized to accept the bid she/he determines to be the best bid in accordance with the Official Terms and Conditions of Sale; shall, in accepting the successful bid, determine the exact principal amount of Bonds to be issued and the rates of interest which said Bonds shall bear; and shall evidence such acceptance and determination by the completion and execution of the Official Bid Form submitted by the successful bidder.

SECTION 13. Deposit and Application of Bond Proceeds; Bond Fund. Upon the sale and delivery of the Bonds there shall first be paid all expenses incident to the authorization, sale and delivery of the Bonds. Next, there shall be paid into the Bond Fund established with the Paying Agent, the interest on the Bonds from their date to the date the Bonds are delivered. The entire

remaining proceeds shall thereafter be deposited into the bond sinking fund (the “Prior Bonds Sinking Fund”) established under the resolution of the Corporation authorizing the prior Bonds, such amount of the proceeds of the Bonds as shall be sufficient, together with other moneys presently on deposit in the Prior Bond Sinking Fund with the paying agent for the Prior Bonds (the “Prior Bonds Paying Agent”), to redeem the Prior Bonds on the next possible redemption date as a redemption price equal to 100% of the principal amount of Prior Bonds, plus accrued interest to the redemption date.

Money in the Bond Fund shall be invested for the benefit of the account in such portions and in such manner as is designated by the Secretary. Such obligations shall consist of the following:

(a) obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in the Commonwealth of Kentucky;

(b) obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

- (i) United States Treasury;
- (ii) Export-Import Bank of the United States;
- (iii) Farmers Home Administration;
- (iv) Government National Mortgage Corporation; and
- (v) Merchant Marine bonds;

(c) obligations of any corporation of the United States government, including but not limited to:

- (i) Federal Home Loan Mortgage Corporation;
- (ii) Federal Farm Credit Banks;
- (iii) Bank for Cooperatives;
- (iv) Federal Intermediate Credit Banks;
- (v) Federal Land Banks;
- (vi) Federal Home Loan Banks;
- (vii) Federal National Mortgage Association; and
- (viii) Tennessee Valley Authority;

(d) certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);

(e) uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(f) bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(g) commercial paper rated in the highest category by a nationally recognized rating agency;

(h) bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;

(i) securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and

(j) shares of mutual funds, each of which shall have the following characteristics:

(i) the mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;

(ii) the management company of the investment company shall have been in operation for at least five (5) years; and

(iii) all of the securities in the mutual fund shall be investments described in (a) - (i) above.

The obligations invested in, in any event, shall mature not later than the time funds may be needed for the payments of Bond requirements. Any deposit in the Bond Fund in excess of FDIC coverage not so invested shall be earmarked and secured by a pledge of an equivalent amount of United States Government obligations or Bonds of the issue herein authorized until expended. In the event checks are required to accomplish the investment of funds in the Bond Fund, such checks shall be signed by the Treasurer of the Board, although such checks are not now contemplated. To the extent that the investment of Bond Fund monies generate funds in excess of the then current principal and interest requirements on the Bonds, the Board's obligation under the Lease shall be reduced in a like amount for the semi-annual period in question.

SECTION 14. Misapplication of Bond Proceeds not to Affect Validity of Bonds. If for any reason the proceeds of the Bonds are not properly allocated or if there is any misapplication thereof, such improper allocation or misapplication shall not affect the validity of any Bonds issued in accordance with this Bond Resolution.

SECTION 15. Legal Description of Leased Properties. The Project properties which are subject to the statutory mortgage liens and pledges of revenues securing the Bonds are located

upon the sites described in Exhibit E to this Bond Resolution which is incorporated in full herein by reference. Notwithstanding anything contained herein to the contrary, the statutory mortgage liens and revenue pledges are restricted in their application to the exact location of the Project, with rights of way for ingress and egress, and the right is specifically reserved by the Corporation and/or the Board to construct upon any unoccupied portions of the school sites described in Exhibit E hereto other structures and improvements for school purposes, which structures and improvements shall not be subject to any extent to the statutory mortgage lien and revenue pledge.

SECTION 16. Reserved.

SECTION 17. Preliminary Official Statement and Final Official Statement Authorized; Appointment of Financial Advisor and Bond Counsel. Compass Municipal Advisors, LLC, Lexington, Kentucky, Financial Advisor for the Corporation and the Board, having prepared a Preliminary Official Statement in conjunction with Bond Counsel, the Board, and the Corporation in regard to the sale of the Bonds containing all pertinent information concerning the Bonds and the Preliminary Official Statement having been reviewed by the Corporation and the Board, same is hereby authorized, ratified and approved and deemed “final” within the meaning of Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”). The President and the Secretary are hereby each separately authorized to acknowledge same and to deem the Preliminary Official Statement “final” within the meaning of the Rule. The Financial Advisor is further directed to prepare a Final Official Statement complying with the requirements of the Rule and the President and Secretary are each hereby directed and authorized to assist with the preparation of the Final Official Statement and to take such actions as may be necessary to insure compliance with the Rule. The President and Secretary are also authorized to execute the Financial Advisor’s contract on behalf of the Corporation, which contract is hereby authorized, ratified and approved. Dinsmore & Shohl LLP is hereby officially appointed Bond Counsel for the Bonds. Dinsmore & Shohl LL, as Bond Counsel, is counsel for the Corporation, Board and District in all respects relating to the Bonds and all acts of the Corporation, Board and District exercised in compliance with this Bond Resolution.

SECTION 18. Registration of Bonds; Duties of Bond Registrar and Paying Agent. A bank or trust company as may be authorized by the Secretary is hereby designated as the Bond Registrar and Paying Agent for the Bonds (the “Bond Registrar” and “Paying Agent”). The Bond Registrar and Paying Agent shall receive compensation for its services in accordance with its Agreements with the Corporation and the Board (attached hereto as Exhibit F and made a part of this Resolution) the President and Secretary are hereby each separately authorized and empowered to execute said Agreements on behalf of the Corporation. The Lease authorized under Section 1 of this Bond Resolution shall contain provisions whereby the Board shall be responsible for and shall pay the fees and charges of the Bond Registrar/Paying Agent as additional rentals thereunder.

The duties of the Bond Registrar shall be as follows:

- (a) To register all Bonds in the name of the owner thereof in accordance with the provisions of the Code;

(b) Upon being supplied with a properly authenticated assignment satisfactory to the Bond Registrar (in the sole discretion of the Bond Registrar), to transfer the ownership of any Bond from one registered owner to another within three (3) business days of the receipt of proper authentication by the Bond Registrar;

(c) To cancel and destroy (or remit to the Corporation for destruction) all exchanged or matured Bonds, and to maintain adequate records relative thereto;

The duties of the Paying Agent shall be as follows:

(a) To maintain the Bond Fund established under this Bond Resolution and to invest amounts therein in accordance with the provisions hereof;

(b) To remit, but only to the extent that all required funds are made available to the Paying Agent by the Board and the Commission, semiannual interest payments direct to the registered owner of each Bond by regular United States Mail; interest payments shall be deposited in the United States Mail no later than each interest due date. Matured or redeemed Bonds shall be payable upon presentation to the Paying Agent. For interest payment purposes, the Paying Agent shall be entitled to rely on its records as Bond Registrar as to the ownership of each Bond as of the 15th day of the month preceding an interest due date and the Paying Agent's checks shall be drawn and mailed accordingly;

(c) To notify each registered owner to be prepaid and to redeem Bonds prior to their stated maturity upon their presentation in accordance with the provisions of Section 2 of this Bond Resolution upon being supplied with sufficient funds:

(d) To supply the Board and the Commission with a written accounting evidencing the payment of interest and principal within thirty days following each due date.

The Bond Registrar/Paying Agent shall be entitled to the advice of counsel and shall be protected for any acts taken by it in good faith and reliance upon such advice. The Bond Registrar/Paying Agent shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be within its discretion or the power conferred upon it by this Bond Resolution or its Agreement with the Corporation and Board, or be responsible for the consequences of any oversight or error of judgment. The Paying Agent may at any time resign from its position as Bond Registrar/Paying Agent as set forth in this Bond Resolution and in its Agreement with the Corporation and the Board by filing its resignation with the Secretary and notifying the original purchaser or purchasers of the Bonds herein authorized. Thereupon, the Corporation, with the concurrence of the Board, shall designate a successor Bond Registrar/Paying Agent which shall be an incorporated bank or trust company. Notwithstanding the foregoing, in the event of the resignation of the Bond Registrar/Paying Agent, provisions shall be made for the orderly transition of the books, records and accounts relating to the Bonds to the successor Bond Registrar/Paying Agent in order that there will be no delinquencies in the payment of interest or principal due on the Bonds.

SECTION 19. Continuing Disclosure; Ratification of Policies and Procedures. In accordance with the Rule, this Board hereby covenants and agrees that the Corporation will execute, comply with and carry out all provisions of a continuing disclosure agreement dated as of the date of initial issuance and delivery (the "Disclosure Agreement"), among the Board, the Corporation and Compass Municipal Advisors, LLC (the "Disclosure Agent"), the form of which is attached hereto as Exhibit G. The Disclosure Agent shall receive compensation for its services in accordance with the Disclosure Agreement. The President and Secretary are hereby each separately authorized and directed to execute said Disclosure Agreement on behalf of the Corporation. The Lease authorized under Section 1 of this Bond Resolution shall contain provisions whereby the Board shall be responsible for and shall pay the fees and charges of the Disclosure Agent as additional rentals thereunder. The Corporation further ratifies the heretofore adopted policies and procedures to ensure continuing compliance with the Corporation's disclosure undertakings.

SECTION 20. Contractual Nature of Bond Resolution. This Bond Resolution shall constitute a contract between the Corporation and all who may become the holders of the Bonds, and any bonds subsequently issued ranking on a parity therewith, and after the issuance and delivery of the Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner except for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein.

SECTION 21. Severability. If any section, paragraph or clause hereof shall be held invalid, the invalidity of said section, paragraph or clause shall not affect any of the remaining provisions of this Bond Resolution.

SECTION 22. Conflicts Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Bond Resolution are hereby repealed and this Bond Resolution shall take effect and be in force upon its adoption.

Passed and approved the ____ day of _____, 2020.

President

Attest:

Secretary

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE REFUNDING BOND
SERIES [2020/2021]

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Dayton Independent School District Finance Corporation (the “Corporation”) hereby acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue (or most recent date to which interest has been paid) at the Interest Rate set forth above commencing [_____, 20__] and semi-annually thereafter on each _____ 1 and _____ 1 until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable thereto.

Both principal and premium (if any) on this Bond are payable at the principal office of [PAYING AGENT] (the “Bond Registrar and Paying Agent”) upon presentation and surrender of this Bond. Payment of each installment of interest shall be made to the Registered Owner hereof as shown by the registration books of the Bond Registrar at the close of business on the 15th day of the calendar month next preceding the interest payment date and shall be paid by check of the Paying Agent mailed to such Registered Owner through regular United States mail postmarked no later than the due date thereof.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

This Bond shall not be a valid obligation of the Corporation unless and until it has been authenticated by the manual signature of the duly authorized officer of the Bond Registrar, its successor or successors, by the execution of the Authentication Certificate hereon.

This Bond is exempt from ad valorem and income taxation by the Commonwealth of Kentucky and all of its political subdivisions as of the date issued and delivered.

By the execution hereof, the Corporation certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond and the issue of which it forms a part, do exist, have happened and have been performed in due time, form and manner as required by law in order to make this a valid and legal revenue obligation of the Corporation and the Corporation covenants that so long as this Bond and the issue of which it forms a part remain outstanding and unpaid, it shall perform all duties imposed upon it by the Constitution and Statutes of Kentucky and the Resolution authorizing the Bonds.

IN WITNESS WHEREOF, the Dayton Independent School District Finance Corporation has caused this Bond to be executed on its behalf with the reproduced facsimile signature of its President, attested by the reproduced facsimile signature of its Secretary, all as of the ____ day of _____, 20__.

DAYTON INDEPENDENT SCHOOL
DISTRICT FINANCE CORPORATION

By: (Facsimile Signature) _____
President

Attest:

By: (Facsimile Signature) _____
Secretary

FORM OF AUTHENTICATION CERTIFICATE

This Bond is one of the issue of Bonds described and provided for in the within-mentioned Bond Resolution passed and adopted by the Board of Directors of Dayton Independent School District Finance Corporation authorizing \$_____ of Dayton Independent School District Finance Corporation School Building Revenue Bonds, Series 20__, dated _____, 20__.

Date of Authentication:

_____, Bond Registrar

By: _____
Authorized Officer

This Bond is part of an authorized issue of \$ _____ of bonds (the “Bonds”) authorized to be issued by the Corporation pursuant to a Bond Resolution adopted by its Board of Directors in order to provide funds for the refunding the outstanding Dayton Independent School District Finance Corporation School Building Revenue Bonds, Series 2011 (the “Refunded Prior Bonds”), issued on behalf of the Board of Education of Dayton Independent School District (the “Board”) to finance the construction of school building improvements (the “Project”) for the Board of Education of the Dayton Independent School District (the “Board”) pursuant to the provisions of Sections 162.120 through 162.300 and 162.385 of the Kentucky Revised Statutes. This Bond and the issue of which it forms a part are equally secured by statutory mortgage liens upon and a pledge of the revenues derived from the Project acquired and constructed with the proceeds of the Bonds which have been leased from the Corporation to the Board on a year to year basis under a certain Contract, Lease and Option (the “Lease”), with the exclusive option in the Board to renew the Lease each year until the Bonds have been completely paid and retired. This Bond does not constitute an indebtedness of the Corporation within the meaning of any constitutional provision or limitation and is payable only from the revenues generated under the Lease of the Project from the Corporation to the Board. The right is reserved in the Corporation and the Board to construct independently financed school building Project free and clear of said statutory mortgage lien and revenue pledge on property unoccupied by the improvements financed from the proceeds of the Bonds. The right is reserved in the Corporation to issue additional bonds ranking on a parity herewith as to security and source of payment, but only for the purpose of completing the construction of the Project initially scheduled to be financed from the proceeds of the Bonds.

The statutory mortgage liens upon and the pledges of the revenues derived from said school building property, which are hereby recognized as valid and binding, are hereby created and granted in favor of the holder of this Bond and the issue of which it forms a part, and said school building property and any appurtenances thereto shall remain subject to said statutory mortgage liens and revenue pledges until the payment in full of the principal and interest on this Bond and the issue of which it forms a part; provided, however, that said statutory mortgage liens and revenue pledges are and shall be restricted in their application to the school buildings and appurtenances thereto financed by this Bond and the issue of which it forms a part, and such easements and rights of way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of the same; the right being hereby expressly reserved to erect or construct upon the school sites described in the Resolution authorizing the issuance of the Bonds and in the Contract, Lease and Option under which same are leased to the Board of Education of the Dayton Independent School District other independently financed school building Project free and clear of said statutory mortgage liens and revenue pledges, which other independently financed school building Project may or may not have a party wall with and adjoin the school buildings and appurtenances which are subject to said statutory mortgage liens and revenue pledges, provided no part of the cost of said other independently financed school building Project is paid from the proceeds of the sale of this Bond and the issue of which it forms a part; and provided the necessary easements for ingress and egress shall be deemed to exist and continue to exist for all school buildings, improvements and additions financed by this or other bonds.

The Board has reserved the right at any time to obtain the release of the Project from the aforesaid statutory mortgage liens and revenue pledges by effecting the redemption of outstanding Bonds.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities on any date, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, 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 to the date of redemption.

This Bond shall be transferable only upon the presentation and surrender hereof at the principal office of the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative. Bonds of the same principal maturity may be issued at the request of the Registered Owner in denominations of multiples of \$5,000.

FORM OF CERTIFICATE

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Dinsmore & Shohl LLP, Attorneys, Covington, Kentucky, regarding the issue of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for said issue and a copy of which is on file with the undersigned.

(Facsimile)

Secretary

[FORM OF BOND COUNSEL OPINION]

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer
Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within
Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

NOTICE: Signature to this assignment must correspond with the name as it appears on the face
of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

\$[PAR]*

Dayton Independent School District Finance Corporation
School Building Revenue Refunding Bonds, Series 20__
Dated as of Initial Issuance and Delivery

SALE: ____ day, _____, 20__ at [__:__] A.M./P.M., E.T.

As advertised in conformity with Chapter 424 of the Kentucky Revised Statutes, the Secretary of the Dayton Independent School District Finance Corporation (the "Corporation") will until _____, 20__, at the hour of [__:__] A.M., E.T., at the office of the Executive Director of the Kentucky School Facilities Construction, 700 Louisville Road, Frankfort, Kentucky 40601, receive sealed competitive bids for the revenue refunding bonds (the "Bonds") herein described. To be considered, Bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be opened by the Secretary and may be accepted without further action by the Corporation's Board of Directors.

***Subject to Permitted Adjustment.**

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

The 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.

The Bonds are being issued to finance the cost of refunding the outstanding Dayton Independent School District Finance Corporation School Building Revenue Bonds, Series 2011 (the "Refunded Prior Bonds"), the proceeds of which were used to finance construction of roof replacements at Dayton Elementary and Dayton 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 buildings to the Board under a Contract, Lease and Option (the "Lease") on a year to year basis; the first rental period ending June 30, 2021. The statutory mortgage lien securing the Bonds is limited in its application to the exact site of the Project, real estate unoccupied by the Project is unencumbered. The Board has reserved the right to obtain the release of the statutory mortgage lien and revenue pledge on the site of the Project by effecting the redemption or defeasance of the proportionate part of the Bonds then outstanding as was expended on the site being released. Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of the 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 the Lease, whereunder the Project is leased to the Board for an initial period ending June 30, 2021,

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 is legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

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 Project and secured by the same statutory mortgage liens and pledges 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 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, State Department of Education, and filed in the office of the Secretary of the Corporation].

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds shall be in denominations in multiples of \$5,000 within the same maturity, bear interest from the date of initial issuance and delivery, payable on [_____, 20__], and semiannually thereafter and shall mature as to principal on [_____, 20__] and each _____ 1 thereafter in each of the years as follows:

<u>MATURITY</u>	<u>AMOUNT*</u>	<u>MATURITY</u>	<u>AMOUNT*</u>
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*Subject to Permitted Adjustment.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities on any date, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, 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 to the date of redemption.

The Bonds are to be issued in fully registered form (both principal and interest). [PAYING AGENT], the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to each Registered Owner of records of the 15th day of each month preceding the due date by regular United States Mail postmarked as of the interest due date. Principal shall be paid upon submission of matured Bond Certificates to the Paying Agent.

Subsequent to the initial delivery of the Bonds, upon the submission of proper authentication, the Bond Registrar shall transfer ownership of Bonds within three (3) business days of receipt without expense to the Registered Owner.

FINAL OFFICIAL STATEMENT

The Corporation shall provide to the successful purchaser a Final Official Statement. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board delivery requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS, AND PAYING AGENT

The Bonds will mature, have interest payment dates, be subject to redemption, have a Paying Agent and Registrar, be subject to the issuance of additional bonds and have other conditions and restrictions as set forth in the Preliminary Official Statement describing the Bonds. Reference is made to the Preliminary Official Statement for such information and for information regarding the District and the Corporation.

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on Official Bid Form, contained in the Official Statement available from the undersigned or Compass Municipal Advisors, LLC 771 Corporate Drive, Lexington, Kentucky 40503, enclosed in sealed envelopes marked "Bid for School Building Revenue Bonds." Bids may alternatively be submitted electronically via BiDCOMP™/PARITY™ system. Electronic bids for the Bonds must be submitted through the BiDCOMP™/PARITY™ system and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/PARITY™ 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system. The use of the BiDCOMP™/PARITY™ system facilities are at the sole risk of the prospective bidders. For further information regarding the BiDCOMP™/PARITY™ system, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

(B) The minimum bid for the Bonds shall be not less than \$_____ (98.0% of par), plus accrued interest. Interest rates shall be in multiples of $[1/8]$ or $[1/100]$ 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. The interest rate stipulated for any maturity shall not be less than the interest rate for any preceding maturity. There is no limit on the number of different interest rates.

(C) The determination of the best purchase bid for the Bonds shall be made on the basis of all bids submitted for exactly \$[PAR] principal amount of Bonds offered for sale hereunder; but the Corporation also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote desired annual debt service levels (the "Permitted Adjustment"). If the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

(D) CUSIP identification numbers will be printed on the Bonds at the expense of the Corporation. The purchaser shall pay the CUSIP Service Bureau Charge and the cost of printing the Final Official Statement. 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 the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

(E) The Corporation shall provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12, as amended. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

(F) 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 to the order of the Corporation an amount equal to 2% of the amount of the principal amount of Bonds awarded by the close of business on the day following the award. Said good faith amount 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.

(G) The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. They 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 for each maturity of the Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Purchases of the Bonds under the DTC system

must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the “Direct Participants”), which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (a “Beneficial Owner”) is in turn to be recorded on the records of Direct Participants or securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the “Indirect Participants”). 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 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

(H) The purchaser shall be required to supply the Bond Registrar with the name, address, social security number or taxpayer identification number, principal amount and principal maturities for each person or entity in whose name Bonds are to be registered. Failure of a purchaser to fully designate the Registered Owners of Bonds shall result in the issuance of Bond Certificates by the Registrar in the purchaser’s “street name” (to the extent a purchaser fails to designate).

(I) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest being subject to Federal income taxation but exempt from Kentucky income and ad valorem taxation on the date of their delivery to the successful bidder, in accordance with the Final Approving Legal Opinion of Dinsmore & Shohl LLP, Covington, Kentucky, which Opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(J) The successful purchaser may require that a portion of the Bonds be term bonds maturing on one or more dates (the “Term Bonds”); provided, however, that the Term Bonds shall be subject to mandatory sinking fund redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on _____ 1 of the years and in the principal amounts set forth in the final adjusted maturity schedule as seen on page 2 of the successful bid.

(K) Prospective bidders are advised that Compass Municipal Advisors, LLC has been employed as Financial Advisor in connection with the issuance of the Bonds. Compass Municipal Advisors, LLC’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid 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.

(L) As required by the Code, purchaser of the Bonds will be required to certify to the Corporation as to certain of their activities regarding any reoffering to the public of the Bonds, including any reoffering prices.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board offering for public sale municipal securities not in excess of \$[PAR], the Corporation and the Board are exempt from the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 in connection with the bonds.

Financial information regarding the Board may be obtained from Superintendent, Dayton Independent Board of Education 200 Clay Street, Dayton, Kentucky 41074.

TAX TREATMENT

Bond Counsel is of the opinion that:

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

(B) Interest payable on the Bonds is included in gross income under the Internal Revenue Code of 1986, as amended (the “Code”).

(C) The Corporation has not designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265 of the Code.

DAYTON INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION

/s/

Secretary

COMPASS MUNICIPAL ADVISORS, LLC

/s/

Financial Advisor

DINSMORE & SHOHL LLP

/s/

Bond Counsel

EXHIBIT C

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for \$_____ of School Building Revenue Refunding Bonds, Series 20__, dated their date of initial issuance and delivery (the “Bonds”) offered for sale by the Dayton Independent School District Finance Corporation (the “Corporation”), an agency and instrumentality acting on behalf of the Board of Education of the Dayton Independent School District and in accordance with the Notice of Bond Sale, as advertised in The Courier-Journal, published in Louisville, Kentucky and the Dayton News, published in Dayton, Kentucky, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$_____ principal amount of the Bonds, the total sum of \$_____ (not less than \$_____) at the following annual rate(s), payable semiannually:

<u>MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>

*Subject to Permitted Adjustment.

We understand this bid may be accepted for as much as \$_____ of the Bonds or as little as \$_____, which will be determined by the Corporation at the time of acceptance of the best bid.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Dinsmore & Shohl LLP, Bond Counsel, of Covington, Kentucky.

No certified or bank cashier’s check will be required to accompany the 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 day following the award. Said good faith amount will be applied (without interest) to the purchase price when said Bonds are tendered for delivery.

Electronic bids for the Bonds must be submitted through BiDCOMP™/PARITY™ and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/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 BiDCOMP™/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

BiDCOMP™/PARITY™ conflict with the terms of the Official Terms and Conditions of Sale of Bonds, the Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of BiDCOMP™/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 BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of the prospective bidders. For further information regarding BiDCOMP™/PARITY™, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds within forty-five (45) days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

Bidder

Address

By: _____
Signature

Total interest cost from _____, 20__

to final maturity \$ _____

Plus discount \$ _____

Net interest cost (Total interest cost
plus discount) \$ _____

Average interest rate or cost _____%

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 the Secretary of the Dayton Independent School District Finance Corporation for \$_____ principal amount of Bonds at the price of \$_____ as follows:

<u>MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
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Dated: _____, 20__

Secretary
Dayton Independent School District
Finance Corporation

EXHIBIT D

LEGAL DESCRIPTION OF LEASED PREMISES

Re: \$[PAR] Dayton Independent School District Finance Corporation Kentucky School Building Revenue Refunding Bonds, Series 20__, dated their date of initial issuance and delivery

EXHIBIT E

APPOINTMENT OF [PAYING AGENT]

AS BOND REGISTRAR AND PAYING AGENT for the

\$(PAR) DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE REFUNDING BONDS, SERIES [2020/2021],
DATED _____, 20__

This appointment of Bond Registrar and Paying Agent (the "Appointment") made as of the ____ day of _____, 20__, by and among the Dayton Independent School District Finance Corporation (the "Corporation"), the Board of Education of the Dayton Independent School District (the "Board") and [PAYING AGENT] (the "Bank");

WITNESSETH:

Section 1. Appointment. The Bank is hereby appointed Bond Registrar and Paying Agent for the Dayton Independent School District Finance Corporation School Building Revenue Refunding Bonds, Series 20__, dated their date of initial issuance and delivery in the aggregate principal amount of \$(PAR) (the "Bonds") and the rights and duties of the Bank, the Corporation and the Board shall be as set forth in this Appointment.

Section 2. Documents Required. Prior to the initial delivery of the Bonds the Corporation shall file with the Bank the following documents:

(a) A certified copy of the Resolution of the Board authorizing the execution of this Appointment by the Board.

(b) A certified copy of the Bond Resolution passed and adopted by the Board of Directors of the Corporation authorizing the issuance of the Bonds and the execution of this Appointment by the Corporation.

(c) A certified copy of the Contract, Lease and Option (the "Lease") by and between the Corporation and the Board whereunder the Board shall agree to pay the principal and interest requirements of the Bonds and the fees and charges of the Bank incurred under the terms of this Appointment as additional rentals due under the Lease.

(d) Printed Bonds prepared and executed in accordance with the Bond Resolution in sufficient numbers as requested by the Bank.

(e) An opinion of Dinsmore & Shohl LLP, Bond Counsel, addressed to the Corporation, stating, inter alia, that the Bond Resolution has been duly adopted by the Corporation and that the Bonds are valid and legally binding obligations of the Corporation in accordance with their terms.

(f) A copy of this Appointment duly executed by the Corporation and the Board.

Section 3. Duties of Bond Registrar. That the duties of the Bank as Bond Registrar shall be as follows:

(a) The Bank shall initially authenticate and deliver Bonds upon being supplied with the necessary registration information at the time the Bonds are delivered to the original purchaser; provided, the Bank shall be supplied such information not less than five (5) business days prior to delivery.

(b) The Bank shall issue new Bonds upon the surrender of outstanding Bonds submitted in form deemed by the Bank as properly endorsed for transfer and with all necessary endorser's signatures guaranteed in such manner and form as the Bank may require; such subsequent transfers shall be accomplished within not more than three (3) business days following the Bank's receipt of a properly endorsed Bond.

(c) The Bank as Bond Registrar may rely upon the Uniform Commercial Code or any other statutes that in the opinion of Counsel for the Bank protect the Bank and the Corporation in not requiring complete documentation in registering transfers without inquiry into adverse claims, in delaying registration for purposes of making such inquiry, or in requiring registration where in the Bank's judgment an adverse claim requires such refusal.

(d) When mail is utilized in the delivery of Bonds, the Bank shall forward Bonds in "non-negotiable form" by first class mail, and Bonds in "negotiable" form by registered or certified mail, all mail deliveries to be covered while in transit to the addressee by insurance arranged by the Bank.

(e) The Bank may issue new Bonds in place of Bonds represented to have been lost, destroyed or stolen upon the Bank's receipt of indemnity satisfactory to the Bank and the Corporation, and may issue new Bonds in exchange for, and upon surrender of, mutilated Bonds.

In supplying the necessary indemnity to the Bank, the holder may submit a bond secured by any general insurance company which is acceptable to the Bank and the Corporation.

(f) The Bank shall manually authenticate each Bond following its completion by the Bank as Bond Registrar, such completion shall include, but not be limited to, the following information: principal amount, interest rate, maturity date, CUSIP number, name, address and tax identification number of Registered Owner, and such additional information as the Bank as Bond Registrar may require.

(g) The Bank shall maintain customary records indicating the information required under Section 3(f) of this Appointment for all registered owners of Bonds in accordance with this Appointment and § 103 and § 141 *et seq.* of the Internal Revenue Code of 1986, as amended, and Regulations promulgated thereunder (collectively, the "Code"), and shall forward such records deemed no longer needed for current purposes to

the Corporation (or the Board should the Corporation so designate) which shall properly store such books, documents and records as required by law.

(h) The Bank shall be entitled to rely on the information provided in the Bonds and in the event any official of the Corporation who shall have executed the Bonds, by manual or facsimile signature, shall die, resign or be removed from office prior to the issuance of such Bonds, the Bank may authenticate and register such Bonds notwithstanding such death, resignation or removal.

Section 4. Reliance; Delivery of Bonds. The Bank as Bond Registrar may rely upon the Uniform Commercial Code or any other statutes that in the opinion of Counsel for the Bank protect the Bank and the Corporation in not requiring complete documentation in registering transfers without inquiry into adverse claims, in delaying registration for purposes of making such inquiry, or in requiring registration where in the Bank's judgment an adverse claim requires such refusal.

(a) When mail is utilized in the delivery of Bonds, the Bank shall forward Bonds in "non-negotiable form" by first class mail, and Bonds in "negotiable" form by registered or certified mail, all mail deliveries to be covered while in transit to the addressee by insurance arranged by the Bank.

(b) The Bank may issue new Bonds in place of Bonds represented to have been lost, destroyed or stolen upon the Bank's receipt of indemnity satisfactory to the Bank and the Corporation, and may issue new Bonds in exchange for, and upon surrender of, mutilated Bonds.

In supplying the necessary indemnity to the Bank, the holder may submit a bond secured by any general insurance company which is acceptable to the Bank and the Corporation.

(c) The Bank shall manually authenticate each Bond following its completion by the Bank as Bond Registrar, such completion shall include, but not be limited to, the following information: principal amount, interest rate, maturity date, CUSIP number, name, address and tax identification number of Registered Owner, and such additional information as the Bank as Bond Registrar may require.

(d) The Bank shall be entitled to rely on the information provided in the Bonds and in the event any official of the Corporation who shall have executed the Bonds, by manual or facsimile signature, shall die, resign or be removed from office prior to the issuance of such Bonds, the Bank may authenticate and register such Bonds notwithstanding such death, resignation or removal.

Section 5. Duties of Paying Agent. The duties of the Bank in its capacity as Paying Agent shall be as follows:

(a) The Bank, from funds available therefor in the Bond Fund, as defined in the Bond Resolution, shall remit to the registered owners of Bonds, as shown on the records of the Bank as Bond Registrar as of the 15th day of the month preceding the

interest due date, the interest then due on the Bonds by regular United States mail postmarked as of the interest due date.

(b) The Bank, from funds available therefor in the Bond Fund, shall pay to each registered owner, the principal amount of each matured Bond in accordance with the Bank's records as Bond Registrar upon the submission and surrender of the Bond to the Bank accompanied by documentation as to ownership in a form satisfactory to the Bank.

(c) The Bank, from funds available therefor in the Bond Fund, shall pay to each Registered Owner the principal amount, plus the redemption premium, if any, for each Bond submitted and surrendered in accordance with the terms of any redemption.

(d) The Bank shall maintain customary records in connection with its duties as Paying Agent and shall remit to the Issuer and the Board not more than thirty (30) days following each interest due date a written accounting evidencing the payment of interest and principal, investment earnings and such other explanation regarding funds supplied to the Bank in connection with the Bonds.

(e) The Bank shall notify the Department of Education of the Commonwealth of Kentucky not less than three (3) days prior to any interest payment date for the Bonds of any failure of the Board to make the payment under the Lease as set forth in Section 7 hereof.

Section 6. Bank's Rights and Protections. The Bank at any time may apply to the Corporation for instructions and may consult with Counsel in respect to any matter arising in connection with its appointment hereunder and the Bank shall not be liable or accountable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or in reliance upon said opinion of Counsel.

The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Appointment, and no implied covenants or obligations shall be read into this Appointment against the Bank. None of the provisions of this Appointment shall require the Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Whenever in the administration of the provisions of this Appointment the Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Bank, be deemed to be conclusively proved and established by a certificate signed by one of the

officers of the Corporation, and delivered to the Bank and such certificate, in the absence of gross negligence or bad faith on the part of the Bank, shall be full warrant to the Bank for any action taken, suffered or omitted by it under the provisions of this Appointment upon the faith thereof. The Bank shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

Any bank, corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Neither the Bank nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Appointment or in connection herewith except to the extent caused by the Bank's gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

The Bank agrees to accept and act upon instructions or directions pursuant to this Appointment sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 7. Duty of Board to Make Timely Principal and Interest Payments. The Board, in accordance with the terms of the Lease and the Bond Resolution, shall pay to the Bank the principal and interest requirements due on the Bonds no later than the fifteenth day of the month preceding a principal and/or interest due date. The Kentucky School Facilities Construction Commission, in accordance with the terms of the Participation Agreement, by and between said Commission and the Board, shall pay to the Bank the principal and interest requirements due on the Bonds in immediately available funds no later than the principal and/or interest due dates of the Bonds. The Bank's acceptance of the funds so transferred or deposited in accordance with this paragraph shall constitute "timely receipt" within the meaning of this Appointment.

Section 8. Payment of Fees. The Board, in accordance with the terms of the Lease, upon the receipt of periodic invoices from the Bank, shall pay to the Bank the fees in effect at the time the services are performed and shall reimburse the Bank for out-of-pocket expenses, including the fees and expenses of the Bank's counsel, incurred by the Bank in connection with its duties as Bond Registrar and Paying Agent; such fees shall be in accordance with the schedule attached to and made a part of this Appointment.

Section 9. Resignation of Bank. The Bank may resign as Bond Registrar and Paying Agent at any time upon giving thirty (30) days written notice of such resignation to the Corporation and the Board. The Bank may be removed as Bond Registrar and Paying Agent at any time by appropriate resolution of the Corporation, a certified copy of which shall be furnished to the Bank. Upon the resignation or removal of the Bank, the Bank shall, to the extent permitted by law, deliver to its successor or to the Corporation, appropriate records regarding its actions as Bond Registrar and Paying Agent. Notwithstanding anything herein to the contrary, in the event of the resignation or removal of the Bank, the Bank in conjunction with the Corporation and the Board shall make provisions for the orderly transfer of books, records, accounts and funds relating to the Bonds to its successor in order that there will be no delinquencies in the payment of interest on principal due on the Bonds.

Section 10. Governing Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Kentucky.

IN TESTIMONY WHEREOF, witness my hand as of the ____ day of _____, 20____,
pursuant to authority vested in the persons whose signatures are affixed hereto.

**DAYTON INDEPENDENT SCHOOL
DISTRICT FINANCE CORPORATION**

By: _____
President

Attest:

Secretary

**BOARD OF EDUCATION OF THE DAYTON
INDEPENDENT SCHOOL DISTRICT**

By: _____
Chairman

Attest:

Secretary

[PAYING AGENT]

By: _____
Title: _____

SCHEDULE OF FEES

[To be provided by Bank]