

OFFICIAL TERMS AND CONDITIONS OF BOND SALE
Approximately \$7,320,000
Kentucky Bond Corporation
Financing Program Revenue Bonds, 2020 First Series B

SALE

As noticed in conformity with Chapter 424 of the Kentucky Revised Statutes, the Kentucky Bond Corporation (the “Issuer”), acting as the agency and instrumentality of and on behalf of the certain public agencies (the “Participants”) that are participating in a financing program (the “Program”) created for public agencies that are or become parties to an Interlocal Cooperation Agreement, will until March 17, 2020, at 11:00 A.M., E.D.T. (or at such later times and dates announced at least forty-eight hours in advance via the BIDCOMP™/PARITY™ system), receive in the Office of the Kentucky League of Cities (the “Program Administrator”), 100 East Vine Street, Suite 800, Lexington, Kentucky 40507, sealed, competitive bids for the purchase of its Financing Program Revenue Bonds, 2020 First Series B (the “2020 First Series B Bonds”).

THE BONDS

The 2020 First Series B Bonds offered for sale are Seven Million Three Hundred Twenty Thousand Dollars (\$7,320,000) principal amount of 2020 First Series B Bonds, being fully registered bonds of the denominations of \$5,000 and any integral multiple of \$5,000, maturing as to principal on February 1, 2021 and each February 1 thereafter through and including February 1, 2044.

The 2020 First Series B Bonds will be issued in denominations of \$5,000 principal amount or any multiple of \$5,000 within a single maturity, will bear interest payable semiannually on August 1 and February 1 commencing on August 1, 2020, and will mature on February 1 of the years and in the principal amounts, as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$425,000	2033	\$285,000
2022	390,000	2034	295,000
2023	395,000	2035	300,000
2024	405,000	2036	300,000
2025	415,000	2037	305,000
2026	425,000	2038	320,000
2027	430,000	2039	255,000
2028	405,000	2040	270,000
2029	395,000	2041	65,000
2030	370,000	2042	70,000
2031	350,000	2043	70,000
2032	350,000	2044	30,000

*The principal maturities are subject to adjustment as provided herein.

The 2020 First Series B Bonds are subject to redemption prior to their stated maturities, as described in the Preliminary Official Statement.

Principal and interest will be payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky. Interest on the 2020 First Series B Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth.

STATUTORY AUTHORITY AND PURPOSE

The authority, purpose, security and source of payment of the 2020 First Series B Bonds, and the application of the proceeds thereof, are described in the Preliminary Official Statement of the Issuer, reference to which is hereby made.

BIDDING CONDITIONS AND RESTRICTIONS

Bid Form. Bids shall be for the entire issue and shall be made on the Official Bid Form in order to provide for uniformity in submission of bids and ready determination of the lowest and best bid.

Minimum Bid. Bids shall be for cash and for the entire issue at not less than \$7,173,600 (98% of par), PAYABLE IN FEDERAL FUNDS.

Award; Adjustment. The determination of the best purchase bid for said 2020 First Series B Bonds shall be made on the basis of all bids submitted for exactly \$7,320,000 principal amount of 2020 First Series B Bonds offered for sale under the terms and conditions herein specified; provided, however, the Issuer reserves the right to increase or decrease the total principal amount of the 2020 First Series B Bonds sold to such best bidder, increased or decreased by an amount of up to \$730,000 with such increase or decrease made in any maturity, and the total amount of 2020 First Series B Bonds awarded to such bidder will be a minimum of \$6,590,000 or a maximum of \$8,050,000. In the event of such adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price at which such adjusted principal amount of 2020 First Series B Bonds will be sold will be at the same price per \$1,000 of 2020 First Series B Bonds as the price per \$1,000 for the \$7,320,000 of 2020 First Series B Bonds bid.

Good Faith Deposit. The successful purchaser shall be required (without further advice from the Issuer) to wire transfer an amount equal to \$146,400 to the Paying Agent Bank by the close of business of the day following the award as a good faith deposit. Said amount will be applied (without interest) to the purchase price upon delivery and will be forfeited if the purchaser fails to take delivery.

Interest Rates. Bidders must stipulate an interest rate or rates in multiples of 1/8, 1/10 or 1/20 of 1%. Only one interest rate shall be permitted per 2020 First Series B Bond, and all 2020 First Series B Bonds of the same maturity shall bear the same rate. 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.

Submission of Bids. Each bid on the Official Bid Form shall be placed in a sealed envelope addressed to the Program Administrator, and on the outside of the envelope, there shall appear a legend identifying the same as being a bid for the "Kentucky Bond Corporation Financing Program Revenue Bonds 2020 First Series B." No bid will be given consideration unless it is actually received or is in the process of telephonic transfer in the office of the Program Administrator prior to the time set forth at the beginning of these Official Terms.

Notice is hereby given that electronic proposals will be received via BIDCOMP™/PARITY™, in the manner described below, until 11:00 A.M., E.D.T., on March 17, 2020. Bids may be submitted electronically via BIDCOMP™/PARITY™ pursuant to these Official Terms until such time, but no bid received after the time for receiving bids above. To the extent any instructions or directions set forth in BIDCOMP™/PARITY™ conflict with these Official Terms, the terms of these Official Terms shall control. For further information about BIDCOMP™/PARITY™, potential bidders may contact the Financial Advisor or BIDCOMP™/PARITY™ at 40 West 23rd Street, 5th Floor, New York, NY 10010, tel: (212) 404-8102.

Term Bond Option. The Purchaser of the 2020 First Series B Bonds may specify to the Issuer that any of the 2020 First Series B Bonds may be combined with immediately succeeding sequential

maturities into a Term Bond or Term Bonds, bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) comprising mandatory sinking fund redemption amounts for such Term Bond(s).

Bond Insurance. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the 2020 First Series B Bonds, the Issuer agrees that it will cooperate with the successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder and the Issuer shall not be liable to any extent therefor.

DTC. The successful bidder may likewise elect to notify the Financial Advisor within twenty-four (24) hours of the award that standard bond certificates be issued. If no such election is made the 2020 First Series B Bonds will be delivered using the BOOK-ENTRY-ONLY-SYSTEM administered by The Depository Trust Company.

Acceptance of Bid. The Program Administrator will accept a bid or reject all bids on the date stated at the beginning of this Official Terms and Conditions of Bond Sale.

Right to Reject. The right to reject bids for any reason deemed advisable by the Board of Directors of the Issuer and the right to waive any possible informalities or irregularities in any bid which in the judgment of the Board of Directors shall be minor or immaterial is expressly reserved.

Official Statement. The Issuer will provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. 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 and Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

Purchaser Certification. The winning bidder shall assist the Issuer in establishing the issue price of the 2020 First Series B Bonds by delivering to the Issuer an “issue price” certificate (the “Certificate”) dated the delivery date, using (depending on whether at least three bids are received) the applicable form attached hereto. If less than three bids are received for the 2020 First Series B Bonds, the winning bidder will be required to certify that it “held-the-price” for the bonds during the Holding Period (as defined in the Certificate) at the prices identified on the Sale Date (as defined in the Certificate). In its sole discretion, the Issuer may permit the winning bidder to certify that it will, immediately upon the sale of any bonds, notify the Issuer (and financial advisor) of each subsequent offering price until the end of the Holding Period, all as set forth in the Certificate. All actions to be taken by the Issuer under these Official Terms to establish the issue price of the 2020 First Series B Bonds may be taken on behalf of the Issuer by the Financial Advisor and any notice or report to be provided to the Issuer shall be provided to the Financial Advisor.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2020 First Series B Bonds) will apply to the initial sale of each of the 2020 First Series B Bonds (the “competitive sale requirements”) because:

- (1) the Issuer will disseminate these Official Terms to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders will have an equal opportunity to bid;
- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Issuer anticipates awarding the 2020 First Series B Bonds to the bidder who submits a firm offer to purchase the 2020 First Series B Bonds at the lowest true interest cost, as set forth in these Official Terms.

Any bid submitted pursuant to these Official Terms shall be considered a firm offer for the purchase of the 2020 First Series B Bonds, as specified in the bid.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on each of the 2020 First Series B Bonds, but neither the failure to print such numbers on any 2020 First Series B Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the 2020 First Series B Bonds in accordance with the terms of its bid. No CUSIP identification number shall be deemed to be a part of any 2020 First Series B Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the Issuer or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing of CUSIP identification numbers on the 2020 First Series B Bonds shall be paid for by the Issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

CONDITIONS TO DELIVERY

The purchaser will be required to take delivery of and pay for the 2020 First Series B Bonds on a date to be designated by the Issuer which is expected to be on or about April 14, 2020 and upon notice being given by the Issuer or its Financial Advisor at least seven (7) business days prior to the designated delivery date. The purchaser may specify the place of delivery at the expense of the Issuer at a bank or trust company situated in the cities of Lexington, Kentucky; Louisville, Kentucky; Cincinnati, Ohio; Chicago, Illinois; or New York, New York. Delivery elsewhere will be made at the expense of the purchaser.

The 2020 First Series B Bonds are being offered and are to be issued subject to, and the Issuer will furnish to the purchaser upon delivery, the approving legal opinion of Bond Counsel, Dinsmore & Shohl LLP, attorneys at law, as to the due and proper authorization, validity and tax-exempt status of the 2020 First Series B Bonds and interest thereon as more particularly described in the Official Statement, to which reference is made. The Issuer will also furnish, at its own expense, the printed 2020 First Series B Bonds, together with customary closing documents, including no-litigation certificate.

The 2020 First Series B Bonds are offered for sale on the basis of the principal not being subject to Kentucky ad valorem taxation and on the basis of the interest on the 2020 First Series B Bonds being excludable from gross income for Federal and Kentucky income taxation on the date of their delivery to the successful bidder, subject to the further exceptions, assumptions and provisions of the Official Statement. The 2020 First Series B Bonds have not been designated by the Issuer as an issue of “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986. If, prior to the delivery of the 2020 First Series B Bonds, any event should occur which alters such tax-exempt and other status, the purchaser shall have the privilege of avoiding the purchase contract by giving immediate written notice to the Program Administrator, whereupon the good faith check of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

By: /s/ Robyn Miller

Program Administrator

OFFICIAL BID FORM

March 17, 2020

Program Administrator and Members of the Board of Directors
 Kentucky Bond Corporation
 100 East Vine Street, Suite 800
 Lexington, Kentucky 40507

Subject to the Official Terms and Conditions of Bond Sale in respect to the \$7,320,000 “Kentucky Bond Corporation Financing Program Revenue Bonds 2020 First Series B”, dated their date of delivery, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said 2020 First Series B Bonds.

We hereby bid for said \$7,320,000 principal amount of 2020 First Series B Bonds the total sum of \$ _____ (not less than \$7,173,600), at the following interest rates:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal Amount*</u>	<u>Serial Bond Rate</u>	<u>Term Bond Rate</u>	<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal Amount*</u>	<u>Serial Bond Rate</u>	<u>Term Bond Rate</u>
2021	\$425,000	_____	_____	2033	\$285,000	_____	_____
2022	390,000	_____	_____	2034	295,000	_____	_____
2023	395,000	_____	_____	2035	300,000	_____	_____
2024	405,000	_____	_____	2036	300,000	_____	_____
2025	415,000	_____	_____	2037	305,000	_____	_____
2026	425,000	_____	_____	2038	320,000	_____	_____
2027	430,000	_____	_____	2039	255,000	_____	_____
2028	405,000	_____	_____	2040	270,000	_____	_____
2029	395,000	_____	_____	2041	65,000	_____	_____
2030	370,000	_____	_____	2042	70,000	_____	_____
2031	350,000	_____	_____	2043	70,000	_____	_____
2032	350,000	_____	_____	2044	30,000	_____	_____

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

We understand this bid may be accepted for as much as \$8,050,000 of 2020 First Series B Bonds or as little as \$6,590,000 of 2020 First Series B Bonds, at the same price per \$1,000 of 2020 First Series B Bonds, with the variation in such amount occurring in any maturity or all maturities, which will be determined by the Program Administrator of the Issuer at the time of acceptance of the best bid.

It is understood that the Issuer will furnish the final, approving Legal Opinion of Dinsmore & Shohl LLP, Bond Counsel. We agree that if we are the successful bidder, immediately available funds in the amount of \$146,400, payable to the Issuer will be deposited in The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, by federal wire transfer prior to the end of the business day following the date of the award, in accordance with the Official Terms and Conditions, with the understanding that the amount thereof, without interest, will be deducted from the purchase price of the 2020 First Series B Bonds when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the 2020 First Series B Bonds in accordance with the terms and conditions of sale.

Completed bid forms may be submitted via facsimile to the offices of the Program Administrator at Kentucky Bond Corporation, 100 East Vine Street, Suite 800, Lexington, Kentucky 40507 (FAX: (859) 977-4131). Neither the Issuer nor the Financial Advisor assumes any responsibility whatsoever with regard to the receipt of bids, or that adequate personnel and/or equipment are available to accept all telephonic transfers of bids before the appointed date and time of sale. Bidders have the sole responsibility of assuring that their bids have been received via facsimile or delivered before the appointed date and time of sale. Any bids in progress by facsimile at the appointed time will be considered as received by the appointed time. No bids will be received via telephone. Bids may be submitted electronically via BIDCOMP™/PARITY™ pursuant to this Notice until the appointed date and time, but no bid will be received after such time.

Respectfully submitted,

_____ Bidder

_____ Address

_____ Telephone Number

By: _____
Signature

The foregoing is our purchase offer, and we submit our own computations thereof only for your information and convenience:

- (a) Total interest cost from March 17, 2020 to final maturity \$ _____
- (b) Plus discount or less premium, if any \$ _____
- (c) Net interest cost (total interest cost plus discount) \$ _____
- (d) Net interest rate or cost _____ %

ACCEPTANCE

Pursuant to a Resolution duly adopted by the Board of Directors of the Kentucky Bond Corporation on September 3, 2019, the above bid for the Kentucky Bond Corporation Financing Program Revenue Bonds, 2020 First Series B, is hereby accepted this March 17, 2020, having the adjusted maturities, as follows:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>
2021	_____	2033	_____
2022	_____	2034	_____
2023	_____	2035	_____
2024	_____	2036	_____
2025	_____	2037	_____
2026	_____	2038	_____
2027	_____	2039	_____
2028	_____	2040	_____
2029	_____	2041	_____
2030	_____	2042	_____
2031	_____	2043	_____
2032	_____	2044	_____

KENTUCKY BOND CORPORATION

By: _____
Program Administrator

FORMS OF ISSUE PRICE CERTIFICATE

[To be used if at least 3 qualified bids are received.]

The undersigned, on behalf of [NAME OF WINNING BIDDER] (the “Winning Bidder”), hereby certifies as set forth below with respect to the sale of \$[] Kentucky Bond Corporation Financing Program Revenue Bonds, 2020 First Series B (the “Bonds”).

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Winning Bidder are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Winning Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Winning Bidder to purchase the Bonds.

(b) the Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Winning Bidder constituted a firm offer to purchase the Bonds.

Defined Terms.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is March 17, 2020.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Winning Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the foregoing tax certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[WINNING BIDDER]

By: _____

Title: _____

Dated: March 17, 2020

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF BID

(Attached)

ISSUE PRICE CERTIFICATE

[To be used if less than 3 qualified bids are received.]

The undersigned, on behalf of [NAME OF WINNING BIDDER] (the “Winning Bidder”), hereby certifies as set forth below with respect to the sale of \$[] Kentucky Bond Corporation Financing Program Revenue Bonds, 2020 First Series B (the “Bonds”).

Sale of Bonds.

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of each Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A and that it neither offered nor sold any of the Bonds of any Maturity to any person at a price that is higher than the initial offering price for such Maturity during the Holding Period for such Maturity.

Defined Terms.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Holding Period” means, with respect to a Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the successful purchaser has sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is March 17, 2020.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Winning Bidder’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the foregoing tax certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[WINNING BIDDER]

By: _____

Title: _____

Dated: March 17, 2020

SCHEDULE A

SALE PRICES

(Attached)

16116883.1