

NEW MONEY
SALE DATE: July 6, 2000
CUSIP: 499483 KT 1

BANK QUALIFIED
BOOK ENTRY ONLY

\$6,400,000
KNOX COUNTY, OHIO
CORRECTIONAL FACILITY CONSTRUCTION NOTES
LIMITED TAX GENERAL OBLIGATION
\$5,000 MINIMUM DENOMINATIONS

| | |
|-------------------|--|
| INTEREST PAYABLE: | <u>At Maturity</u> |
| PAYABLE AT: | <u>First Knox National Bank, Mount Vernon, Ohio</u> |
| LEGAL OPINION: | <u>Squire, Sanders & Dempsey, Columbus, Ohio</u> |

DATED: July 20, 2000

DUE: July 19, 2001

| | | | | |
|-----------------|---------------|----------------------|--------------|--------------|
| <u>Maturity</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>Price</u> |
| 7/19/2001 | \$6,400,000 | 4.810% | 4.480% | 100.315 |

Security: There shall be levied on all taxable property in the County, in addition to all other taxes, a direct tax annually during the period the Notes are outstanding in an amount sufficient to pay the debt charges on the Notes when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten mill limitation imposed by law, shall be and is ordered computed, certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Notes when and as the same fall due.

Purpose: It is necessary to issue Notes of this County in the aggregate principal amount not to exceed \$6,400,000 (the Notes) to pay the costs of constructing, equipping and furnishing a facility to house a county jail, including an outdoor exercise facility, an emergency operations center and the offices of the County Sheriff, together with all necessary appurtenances.

Location: Its 506 square mile area is about 20 miles southeast of Columbus on the Hocking River. It is a good agricultural and industrial county in a gas belt.

KNOX COUNTY, OHIO
FINANCIAL INFORMATION
PER THE OHIO MUNICIPAL ADVISORY COUNCIL
DATED: July 2000

| | |
|-------------------------------|---------------------|
| Assessed Valuation | \$701,736,257 |
| Population (est. 1998) | 52,309 |
| TOTAL DEBT | \$37,141,250 |
| TOTAL NET DEBT | \$3,861,250 |
| Net Direct Debt | \$3,861,250 |
| Per Capita | \$73 |
| Percent of Assessed Valuation | .55% |
| Net Debt & Overlapping Debt | \$31,844,829 |
| Per Capita | 608\$ |
| Percent of Assessed Valuation | 4.53% |

300 Mercantile Library Bldg.
414 Walnut Street
Cincinnati, Ohio 45202-3910

SEASONGOOD & MAYER, LLC
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The statements contained in this circular and those on any subsequent page of same, while not guaranteed, are official or founded on information regarded as reliable. They are the data upon which we purchased these securities. All offerings are made subject to prior sale and change in price.



| GENERAL FUND INFORMATION | | | |
|--------------------------|-----------|-----------|-----------|
| | 1998 | 1997 | 1996 |
| Beg. Balance | 1,059,708 | 1,044,748 | 952,909 |
| Receipts | 9,073,394 | 8,439,517 | 7,628,516 |
| Transfers In | 48,170 | 50,000 | 127,368 |
| Expenditures | 7,958,575 | 7,249,338 | 7,457,673 |
| Transfers Out | 1,050,582 | 1,528,612 | 725,000 |
| Other Fin Uses | 551,521 | 303,393 | 518,628 |
| End Bal. 12/31 | 1,723,636 | 1,059,708 | 1,044,748 |

| ASSESSED VALUATION (Reappraised 1996-97) | | | | |
|--|-------------|-------------------|-------------|----------------|
| | Total | Personal Tangible | Real Estate | Public Utility |
| 1998-1999 | 701,736,257 | 101,276,407 | 551,154,100 | 49,305,750 |
| 1997-1998 | 675,429,043 | 92,327,773 | 534,123,750 | 48,977,520 |
| 1996-1997 | 656,560,891 | 79,247,471 | 525,716,950 | 51,596,470 |
| 1995-1996 | 564,684,706 | 85,719,346 | 430,425,120 | 48,540,240 |
| 1994-1995 | 545,165,229 | 82,023,829 | 412,835,180 | 50,306,220 |
| 1993-1994 | 536,848,002 | 80,242,072 | 407,289,470 | 49,316,460 |
| 1992-1993 | 493,288,845 | 86,658,355 | 359,954,400 | 46,676,090 |

| REAL ESTATE ANALYSIS - 1998-1999 | | |
|----------------------------------|---------------|--------|
| Residential | \$392,716,580 | 68.79% |
| Commercial | 132,229,080 | 23.16 |
| Industrial | 4,638,300 | 7.82 |
| Agricultural | 1,312,600 | 0.23 |
| Mineral | 0 | 0.00 |
| Total | \$570,896,560 | |

| PROPERTY TAX RATES | | | | | | | | | |
|--------------------|--------|------|-------|---------|-----------|--------|------|-------|---------|
| Year | Type | Debt | Total | Overall | Year | Type | Debt | Total | Overall |
| 1999-2000 | Stated | 3.40 | 8.70 | 56.65 | 1997-1998 | Stated | 3.40 | 8.70 | 58.97 |
| | Res/Ag | 3.40 | 6.89 | 46.52 | | Res/Ag | 3.40 | 7.08 | 49.99 |
| | Other | 3.40 | 8.08 | 50.08 | | Other | 3.40 | 7.86 | 52.05 |
| 1998-1999 | Stated | 3.40 | 8.70 | 58.97 | 1996-1997 | Stated | 3.40 | 8.70 | 56.69 |
| | Res/Ag | 3.40 | 7.20 | 50.10 | | Res/Ag | 3.40 | 7.09 | 50.72 |
| | Other | 3.40 | 7.88 | 52.02 | | Other | 3.40 | 7.92 | 52.91 |

TAX EXEMPTION

The Notes constitute valid and legal general obligations of the County, and the principal of and the interest on the Notes, unless paid from other sources and subject to bankruptcy laws and other laws affecting creditors' right and to the exercise of judicial discretion, are to be paid from the proceeds of the levy of ad valorem taxes levied within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the County.

The interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax preferences under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. The interest on the Notes, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the net income base of the Ohio corporate franchise tax, and municipal and school district income taxes in Ohio. The Notes are "qualified tax-exempt obligations" as defined in Section 265 (b) of the Code. We express no opinion as to any other tax consequences regarding the Notes.

In giving the foregoing opinion with respect to the treatment of the interest on the Notes and the status of the Notes under the federal tax laws, we have assumed and relied upon compliance with the County's covenants and the accuracy, which we have not independently verified, of the County's representations and certifications, all as contained in the transcript. The accuracy of those representations and certifications, and compliance by the County with those covenants, may be necessary for the interest to be and to remain excluded from gross income or federal income tax purposes and for the other federal tax effects stated above. Failure to comply with certain of those covenants subsequent to issuance could cause the interest of the Notes to be included in gross income for federal income tax purposes retroactively to their date of issuance.

Under the Code, portions of the interest on the Notes earned by certain corporations (as defined for federal income tax purposes) may be subject to a corporate alternative minimum tax, and interest on the Notes may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to tax imposed on excess net passive income of certain S corporations.

