
SERIES 2007 SUPPLEMENT

AUTHORIZING THE ISSUANCE OF

\$5,531,594,541.00

**TOBACCO SETTLEMENT ASSET-BACKED BONDS,
SERIES 2007**

of the

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY

Dated as of October 1, 2007

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ARTICLE I

DEFINITIONS AND AUTHORITY

Section 101. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the respective meanings accorded such terms in the Trust Indenture, dated as of October 1, 2007, between the Buckeye Tobacco Settlement Financing Authority and U.S. Bank National Association, as Trustee.

The following terms shall have the following meanings herein unless the context otherwise requires:

“Accreted Value” for purposes of the Series 2007 Capital Appreciation Bonds, shall be as set forth in Appendix A, Appendix B and Appendix C hereto, as applicable, and based upon compounding on each June 1 and December 1 commencing June 1, 2008 and on the Maturity Date thereof or, with respect to the Series 2007A Convertible Capital Appreciation Turbo Term Bonds, the Conversion Date therefor.

“Conversion Date” with respect to the Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds, means December 1, 2012.

“Default Rate” means with respect to the Series 2007 Capital Appreciation Bonds, the interest rate per annum set forth in Schedules B, C and D hereto, as applicable.

“Delivery Date” for the Series 2007 Bonds means October 29, 2007.

“Distribution Date” with respect to the Series 2007 Bonds means each June 1 and December 1 commencing June 1, 2008.

“Offering Circular” means the final offering circular of the Authority, dated October 24, 2007, relating to the Series 2007 Bonds.

“Projected Final Turbo Redemption Date” means with respect to any particular Series of Series 2007 Bonds, the latest Distribution Date on which a Turbo Redemption of the Bonds of such Series is projected to be made, as set forth in the related schedule hereto.

“Preliminary Official Circular” means the preliminary offering circular, dated October 4, 2007, as supplemented by the Supplement dated October 16, 2007, relating to the Series 2007 Bonds.

“Purchase Contract” means the Bond Purchase Contract, dated October 24, 2007, between the Authority and Bear, Stearns & Co. Inc. and Citigroup Global Markets Inc., jointly on behalf of themselves and the other Underwriters named therein.

“Rating Agencies” with respect to the Series 2007 A Bonds means Moody’s, S&P and Fitch and, with respect to the Series 2007 B Bonds and Series 2007 C Bonds, means Fitch.

“Series 2007 Bonds” means collectively, the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds.

“Series 2007 A Bonds” means, as set forth in Section 201(a) hereof, the \$5,212,146,138 Tobacco Settlement Asset-Backed Bonds, Series 2007 A Bonds, of the Authority, issued as Senior Bonds under the Trust Indenture, and consisting of the Series 2007A-1 Senior Current Interest Serial Bonds, Series 2007A-2 Senior Current Interest Turbo Term Bonds, and Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds, and authorized by this 2007 Series Supplement.

“Series 2007A-1 Bonds” means the Series 2007A-1 Senior Current Interest Serial Bonds, issued as Serial Bonds under the Trust Indenture, and described in Section 201(a) hereof.

“Series 2007A-2 Bonds” means the Series 2007A-2 Senior Current Interest Turbo Term Bonds, issued as Turbo Term Bonds under the Trust Indenture, and described in Section 201(a) hereof.

“Section 2007A-3 Bonds” means the Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds, issued as Turbo Term Bonds under the Trust Indenture, and described in Section 201(a) hereof.

“Series 2007 B Bonds” means, as set forth in Section 201(b) hereof, the \$191,265,480 Tobacco Settlement Asset-Backed Bonds, Series 2007 B First Subordinate Capital Appreciation Turbo Term Bonds of the Authority, issued as First Subordinate Bonds and Turbo Term Bonds under the Trust Indenture, and authorized by this 2007 Series Supplement.

“Series 2007 C Bonds” means, as set forth in Section 201(c) hereof, the \$128,182,923 Tobacco Settlement Asset-Backed Bonds, Series 2007 C Second Subordinate Capital Appreciation Turbo Term Bonds of the Authority, issued as Second Subordinate Bonds and Turbo Term Bonds under the Trust Indenture, and authorized by this 2007 Series Supplement.

“Series 2007 Capital Appreciation Bonds” means the Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds (until their Conversion Date), the Series 2007B First Subordinate Capital Appreciation Turbo Term Bonds, and the Series 2007C Second Subordinate Capital Appreciation Turbo Term Bonds.

“2007 Series Supplement” means this 2007 Series Supplement Authorizing the issuance of \$5,531,594,541.00 Tobacco Settlement Asset-Backed Bonds, Series 2007.

“Underwriters” means the municipal securities dealers named in the Purchase Contract.

Section 102. **Authority for this Series Supplement.** This 2007 Series Supplement is adopted pursuant to the provisions of the Trust Indenture and the Act.

ARTICLE II

THE SERIES 2007 BONDS

Section 201. **Terms of Series 2007 Bonds. Principal Amount.** Pursuant to the Trust Indenture there is hereby authorized four Series of Tax-Exempt Bonds, as follows: (i) the Authority's Tobacco Settlement Asset-Backed Bonds, Series 2007 A Bonds (as further identified in Section 201(a) below) in the aggregate principal amount of \$5,212,146,138; (ii) the Authority's Tobacco Settlement Asset-Backed Bonds, Series 2007 B First Subordinate Capital Appreciation Turbo Term Bonds in the aggregate principal amount of \$191,265,480; and (iii) the Authority's Tobacco Settlement Asset-Backed Bonds, Series 2007 C Second Subordinate Capital Appreciation Turbo Term Bonds in the initial aggregate principal amount of \$128,182,923.

(a) *Details of the Series 2007 A Bonds.* The Series 2007 A Bonds shall be issued as (i) Series 2007A-1 Senior Current Interest Serial Bonds in the aggregate principal amount of \$211,350,000, in fully registered form, and shall be numbered from A1R-1, consecutively upwards, (ii) Series 2007A-2 Senior Current Interest Turbo Term Bonds in the aggregate initial principal amount of \$4,726,045,000, in fully registered form, and shall be numbered from A2R-1, consecutively upwards, and (iii) Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds in the aggregate initial principal amount of \$274,751,138, in fully registered form, and shall be numbered from A3R-1, consecutively upwards. The Series 2007A-1 Bonds and Series 2007A-2 Bonds shall be in book-entry-only form in Authorized Denominations of \$5,000 or any integral multiple thereof. The Series 2007A-3 Bonds shall be in book-entry-only form in Authorized Denominations that shall accrete to \$5,000 Accreted Value or any integral multiple thereof at their Conversion Date. The Series 2007A-3 Bonds shall accrete to their Conversion Date at the rate which provides the approximate yield to maturity set forth in Schedule A hereto and which, when compounded on each Distribution Date commencing June 1, 2008, results in the Accreted Values to the Conversion Date shown on Schedule B hereto, which Accreted Value shall be payable at maturity or earlier redemption thereof. Thereafter, the Series 2007A-3 Bonds shall bear current interest at the rate of 6.25% per annum. The Series 2007 A Bonds shall be dated their Delivery Date and shall mature on the dates and, with respect to the Series 2007A-1 Bonds and Series 2007A-2 Bonds, bear interest at the rates set forth in Schedule A hereto. Interest on the Series 2007A-1 Bonds and Series 2007A-2 Bonds shall be payable on each Distribution Date in each year, beginning on June 1, 2008. Such interest on the Series 2007A-1 Bonds and Series 2007A-2 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2007A-1 Bonds will be issued as Current Interest Serial Bonds which are not subject to Turbo Redemption, shall not have Sinking Fund Installments, and shall have Maturity Dates shown on Schedule A hereto. The Series 2007 A Bonds other than the Series 2007A-1 Bonds will be issued as Turbo Term Bonds and shall have Sinking Fund Installments and Maturity Dates shown on Schedule A hereto. The Projected Turbo Schedule for the Series 2007 A Bonds other than the Series 2007A-1 Bonds is shown on Schedule A hereto. The Series 2007 A Bonds will be issued substantially in the form of Exhibit 1 hereto.

(b) *Details of the Series 2007 B Bonds.* The Series 2007 B Bonds shall be issued as First Subordinate Capital Appreciation Turbo Term Bonds in fully registered form and shall be numbered BR-1, consecutively upward. The Series 2007 B Bonds shall be in book-

entry-only form in Authorized Denominations which accrete to \$5,000 or any integral multiple thereof on their Maturity Date. The Series 2007 B Bonds shall be dated their Delivery Date and shall mature on the dates set forth in Schedule B hereto. The Series 2007 B Bonds shall accrete at the rate which provides the approximate yield to maturity set forth in Schedule B hereto and which, when compounded on each Distribution Date commencing June 1, 2008, results in the Accreted Values shown on Schedule B hereto, which Accreted Value shall be payable at maturity or earlier redemption thereof. The Series 2007 B Bonds will be issued as Turbo Term Bonds and shall have the Maturity Date shown on Schedule B hereto. The Projected Turbo Schedule for the Series 2007 B Bonds is shown on Schedule B hereto. The Series 2007 B Bonds will be issued in substantially in the form of Exhibit 2 hereto.

(c) *Details of the Series 2007 C Bonds.* The Series 2007 C Bonds shall be issued as Second Subordinate Capital Appreciation Turbo Term Bonds in fully registered form and shall be numbered CR-1, consecutively upward. The Series 2007 C Bonds shall be in book-entry-only form in Authorized Denominations which accrete to \$5,000 or any integral multiple thereof on their Maturity Date. The Series 2007 C Bonds shall be dated their Delivery Date and shall mature on the date set forth in Schedule C hereto. The Series 2007 C Bonds shall accrete at the rate which provides the approximate yield to maturity set forth in Schedule C hereof and which, when compounded on each Distribution Date commencing June 1, 2008, results in the Accreted Values shown on Schedule C hereto, which Accreted Value shall be payable at maturity or earlier redemption thereof. The Series 2007 C Bonds will be issued as Turbo Term Bonds and shall have the Maturity Date shown on Schedule C hereto. The Projected Turbo Redemption Schedule for the Series 2007 C Bonds is shown on Schedule C hereto. The Series 2007 C Bonds will be issued in substantially in the form of Exhibit 3 hereto.

Section 202. **Optional Redemption.**

(a) The Series 2007A-1 Bonds are not subject to redemption at the option of the Authority prior to their Maturity Dates. The Series 2007 A Bonds other than the Series 2007A-1 Bonds are subject to redemption (from the proceeds of Refunding Bonds or any other source other than Collections), at the option of the Authority (i) in whole or in part at any time, but only in an amount that may not exceed the amount of the Projected Turbo Redemptions that were projected to be paid as set forth in the Projected Turbo Schedule included in Schedule A hereto, but as of the date of such redemption, have not been paid with respect to such Turbo Term Bonds, and (ii) in whole or in part on any date on or after June 1, 2017 with respect to the Series 2007A-2 Bonds, and June 1, 2022 with respect to the Series 2007A-3 Bonds, from any Maturity Date selected by the Authority in its discretion and if redeemed in part, in accordance with DTC's standard procedures, or if such Bonds are not then held by DTC or another Securities Depository, on such basis as the Trustee deems fair and appropriate, including by lot, within a Maturity Date, in either case at a redemption price equal to 100% of the Principal being redeemed, plus interest accrued to the date fixed for redemption.

(b) The Series 2007B Bonds and the Series 2007C Bonds are subject to redemption (from the proceeds of Refunding Bonds or any other source other than Collections), at the option of the Authority (i) in whole or in part at any time, but only in an amount that may not exceed the amount of the Projected Turbo Redemptions that were projected to be paid as set forth in the Projected Turbo Schedule included in Schedule B hereto but, as of the date of such

redemption, have not been paid with respect to such Turbo Term Bonds, and (ii) in whole or in part on any date on or after June 1, 2017, from any Maturity Date selected by the Authority in its discretion and in either case (x) if redeemed in part, in accordance with DTC's standard procedures, or if such Bonds are not then held by DTC or another Securities Depository on such basis as the Trustee deems fair and appropriate, including by lot, within a Maturity Date; and (y) at a redemption price equal to 100% of the Accreted Value being redeemed on the date fixed for redemption.

Section 203. Mandatory Redemption of Turbo Term Bonds. The Series 2007 A Bonds (other than the Series 2007A-1 Bonds), the Series 2007 B Bonds and the Series 2007 C Bonds are subject to mandatory redemption from Sinking Fund Installments set forth in Schedule A, B, and C, as applicable, to the extent of available Collections in the amounts and on the dates set forth below, at a redemption price equal to 100% of the Bond Obligation being redeemed, plus interest accrued to the date fixed for redemption. The Series 2007 A Bonds (other than the Series 2007A-1 Bonds) shall be subject to mandatory redemption from Surplus Collections in the Senior Turbo Redemption Account as provided in Section 5.06(d) of the Trust Indenture. The Series 2007 B Bonds and the Series 2007 C Bonds shall be subject to mandatory redemption from Surplus Collections in the First Subordinate Turbo Redemption Account and the Second Subordinate Turbo Redemption Account, respectively, as provided in Section 5.06(d) of the Trust Indenture.

Section 204. Certain Provisions Relating to Capital Appreciation Bonds. For purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond if any such Bond is redeemed prior to maturity, (ii) receiving payment pursuant to Section 10.02(b) of the Trust Indenture of a Capital Appreciation Bond following the occurrence of an Event of Default or (iii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Authority or Trustee any notice, consent, request or demand pursuant to the Trust Indenture for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount.

Section 205. Use of Series 2007 Bond Proceeds and Certain Other Moneys. Upon delivery of the Series 2007 Bonds and receipt of the amount of the purchase price thereof of \$5,441,913,796.78 (comprised of the initial principal amount of the Series 2007 Bonds of \$5,531,594,541.00, less net original issue discount of \$66,825,285.60 and less underwriter's discount of \$22,855,458.62), such total amount shall be used as follows:

(a) the sum of \$2,682,193.65 corresponding to the Costs of Issuance (exclusive of underwriter's discount) shall be deposited into the Costs of Issuance Account and used for the purpose of paying the Costs of Issuance until, as contemplated by Section 5.02 of the Trust Indenture, an Authorized Officer of the Authority shall certify to the Trustee that all Costs of Issuance have been paid in full, at which time the Trustee shall transfer any balance remaining in such Account to the Operating Account;

(b) the sum of \$389,231,603.13, representing the Senior Liquidity Reserve Requirement, shall be deposited into the Senior Liquidity Reserve Account; and

(c) the remaining sum of \$5,050,000,000 shall be paid to the State.

ARTICLE III

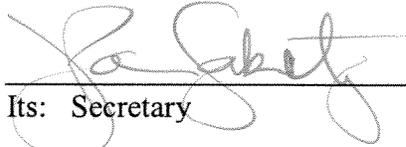
AUTHORIZATION OF DOCUMENTS

Section 301. **Further Authority.** Without limiting authority elsewhere conferred, an Authorized Officer, as defined in the Authorizing Resolution for purposes of this Section 3.01, is hereby designated to execute and deliver such documents, agreements, instruments and certification as may be necessary to give effect to the Trust Indenture, including this Series Supplement, and authorized to execute, or authorize or ratify the distribution of the Purchase Contract, Preliminary Offering Circular, and Offering Circular. All preparatory actions previously taken by the Authorized Officers are hereby ratified.

Section 302. **Effective Date; Counterparts.** This Series Supplement shall be fully effective in accordance with its terms upon the execution and delivery hereof by the Authority and the Trustee. This Series Supplement may be executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Series Supplement to be duly executed as of the date first written above.

**BUCKEYE TOBACCO SETTLEMENT
FINANCING AUTHORITY**

By: 
Its: Secretary

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: 
Its: Vice President

SCHEDULE A

\$211,350,000 Series 2007A-1 Senior Current Interest Serial Bonds

Maturity Date (June 1)	Principal Amount	Interest Rate
2009	\$12,140,000	4.000%
2010	7,080,000	5.000%
2010	12,630,000	4.125%
2011	14,270,000	5.000%
2011	8,075,000	4.250%
2012	4,480,000	5.000%
2012	15,815,000	4.375%
2013	12,230,000	4.500%
2014	23,995,000	5.000%
2015	26,640,000	5.000%
2016	35,000,000	5.000%
2017	38,995,000	5.000%

SCHEDULE A

\$200,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 5.375%

Due: June 1, 2024*

Projected Final Turbo Redemption Date: June 1, 2017†

Projected Average Life: 5.4 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2008	\$13,805,000
2009	17,470,000
2010	17,935,000
2011	19,380,000
2012	21,745,000
2013	21,085,000
2014	21,100,000
2015	22,695,000
2016	23,535,000
2017	21,250,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity.

**Sinking Fund Installments for
\$200,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
Bearing Interest at 5.375%
Maturing June 1, 2024**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2008	\$2,315,000	2017	\$ 5,655,000
2009	5,280,000	2018	16,805,000
2010	4,900,000	2019	18,485,000
2011	5,555,000	2020	20,025,000
2012	7,060,000	2021	21,835,000
2013	5,320,000	2022	22,730,000
2014	4,640,000	2023	23,515,000
2015	5,150,000	2024†	25,655,000
2016	5,075,000		

† Final Maturity

SCHEDULE A

\$949,530,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate 5.125%

Due: June 1, 2024*

Projected Final Turbo Redemption Date: June 1, 2017†

Projected Average Life: 5.4 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2008	\$ 65,570,000
2009	82,960,000
2010	85,115,000
2011	92,035,000
2012	103,210,000
2013	100,120,000
2014	100,185,000
2015	107,740,000
2016	111,735,000
2017	100,860,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity.

**Sinking Fund Installments for
 \$949,530,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 5.125%
 Maturing June 1, 2024**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2008	\$11,010,000	2017	\$26,840,000
2009	25,075,000	2018	79,795,000
2010	23,255,000	2019	87,755,000
2011	26,365,000	2020	95,075,000
2012	33,525,000	2021	103,670,000
2013	25,260,000	2022	107,905,000
2014	22,020,000	2023	111,650,000
2015	24,450,000	2024†	121,790,000
2016	24,090,000		

† Final Maturity

SCHEDULE A

\$687,600,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 5.875%

Due: June 1, 2030*

Projected Final Turbo Redemption Date: June 1, 2020†

Projected Average Life: 11.5 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2017	\$23,140,000
2018	220,725,000
2019	239,040,000
2020	204,695,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity

**Sinking Fund Installments for
 \$687,600,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 5.875%
 Maturing June 1, 2030**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2025	\$107,700,000	2028	\$117,700,000
2026	109,600,000	2029	119,000,000
2027	111,500,000	2030†	122,100,000

† Final Maturity

SCHEDULE A

\$505,200,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 5.750%

Due: June 1, 2034*

Projected Final Turbo Redemption Date: June 1, 2022†

Projected Average Life: 13.8 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2020	\$53,570,000
2021	278,995,000
2022	172,635,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity

**Sinking Fund Installments for
 \$505,200,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 5.75%
 Maturing June 1, 2034**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2031	\$114,035,000	2033	\$129,790,000
2032	123,405,000	2034†	137,970,000

† Final Maturity

SCHEDULE A

\$250,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 6.000%

Due: June 1, 2042*

Projected Final Turbo Redemption Date: June 1, 2026†

Projected Average Life: 17.2 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2023	\$19,950,000
2024	89,840,000
2025	96,935,000
2026	43,275,000

† Assumes Turbo Redemption are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity

**Sinking Fund Installments for
 \$250,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 6.000%
 Maturing June 1, 2042**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2038	\$45,160,000	2041	\$52,355,000
2039	47,090,000	2042†	55,250,000
2040	50,145,000		

† Final Maturity

SCHEDULE A

\$750,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 6.500%

Due: June 1, 2047*

Projected Final Turbo Redemption Date: June 1, 2028†

Projected Average Life: 19.0 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2023	\$ 20,435,000
2024	91,980,000
2025	99,310,000
2026	128,650,000
2027	155,055,000
2028	254,570,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity

**Sinking Fund Installments for
 \$750,000,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 6.500%
 Maturing June 1, 2047**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2038	\$46,260,000	2043	\$ 87,580,000
2039	48,225,000	2044	93,050,000
2040	51,255,000	2045	98,840,000
2041	53,720,000	2046	104,575,000
2042	56,585,000	2047†	109,910,000

† Final Maturity

SCHEDULE A

\$1,383,715,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds

Interest Rate: 5.875%

Due: June 1, 2047*

Projected Final Turbo Redemption Date: June 1, 2028†

Projected Average Life: 19.0 years†

Projected Turbo Schedule†

Date (June 1)	Expected Amortization of Principal
2023	\$ 37,710,000
2024	169,680,000
2025	183,235,000
2026	237,355,000
2027	286,065,000
2028	469,670,000

† Assumes Turbo Redemption are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

* Final Maturity

**Sinking Fund Installments for
 \$1,383,715,000 Series 2007A-2 Senior Current Interest Turbo Term Bonds
 Bearing Interest at 5.875%
 Maturing June 1, 2047**

<u>June 1</u>	<u>Principal Amount</u>	<u>June 1</u>	<u>Principal Amount</u>
2038	\$ 85,330,000	2043	\$161,580,000
2039	88,975,000	2044	171,675,000
2040	94,565,000	2045	182,355,000
2041	99,115,000	2046	192,940,000
2042	104,400,000	2047†	202,780,000

† Final Maturity

SCHEDULE A

\$274,751,138* Series 2007A-3 Senior Convertible Capital Appreciation Turbo Term Bonds

Due: June 1, 2037

Approximate Yield to Conversion Date (Interest Rate after Conversion Date): 6.250%

Maturity Value: \$375,800,000

Projected Final Turbo Redemption Date: June 1, 2023†

Projected Average Life: 15.2 years

Default Rate 6.250%

TABLE OF ACCRETED VALUES (Expressed per \$5,000 Maturity Amount) Accreted Values

Date	Accreted Value	Date	Accreted Value
29-Oct-2007	\$3,655.55*	1-Dec-2010	\$4,420.90
1-Jun-2008	3,790.45	1-Jun-2011	4,559.05
1-Dec-2008	3,908.90	1-Dec-2011	4,701.55
1-Jun-2009	4,031.05	1-Jun-2012	4,848.45
1-Dec-2009	4,157.05	1-Dec-2012 and thereafter	5,000.00
1-Jun-2010	4,286.95		

* Initial principal amount on date of issuance.

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular. Assumes that Turbo Redemptions are credited at their Accreted Value against the Bond Obligation then due, whereupon the remaining Bond Obligation continues to accrete until redeemed.

Projected Turbo Schedule†

Date (June 1)	Series 2007A-3 Bonds Expected Amortization of Accreted Value
2022	\$128,440,000
2023	247,360,000

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

SCHEDULE B

\$191,265,480* Series 2007 B Bonds

Due: June 1, 2047
 Approximate Yield to Maturity: 7.250%
 Maturity Value: \$3,207,000,000
 Projected Final Turbo Redemption Date: June 1, 2030†
 Projected Average Life: 21.7 years
 Default Rate: 7.250%

TABLE OF ACCRETED VALUES (Expressed per \$5,000 Maturity Amount) Accreted Values

Date	Accreted Value	Date	Accreted Value
29-Oct-2007	\$298.20*	1-Dec-2025	1,081.40
1-Jun-2008	310.95	1-Jun-2026	1,120.60
1-Dec-2008	322.25	1-Dec-2026	1,161.20
1-Jun-2009	333.90	1-Jun-2027	1,203.30
1-Dec-2009	346.00	1-Dec-2027	\$1,246.95
1-Jun-2010	358.55	1-Jun-2028	1,292.15
1-Dec-2010	371.55	1-Dec-2028	1,339.00
1-Jun-2011	385.05	1-Jun-2029	1,387.50
1-Dec-2011	399.00	1-Dec-2029	1,437.80
1-Jun-2012	413.45	1-Dec-2030	1,543.95
1-Dec-2012	428.45	1-Jun-2031	1,599.90
1-Jun-2013	443.95	1-Dec-2031	1,657.90
1-Dec-2013	460.05	1-Jun-2032	1,718.00
1-Jun-2014	476.75	1-Dec-2032	1,780.30
1-Dec-2014	494.05	1-Jun-2033	1,844.85
1-Jun-2015	511.95	1-Dec-2033	1,911.70
1-Dec-2015	530.50	1-Jun-2034	1,981.00
1-Jun-2016	549.75	1-Dec-2034	2,052.80
1-Dec-2016	569.65	1-Jun-2035	2,127.25
1-Jun-2017	590.30	1-Dec-2035	2,204.35
1-Dec-2017	611.70	1-Jun-2036	2,284.25
1-Jun-2018	633.90	1-Dec-2036	2,367.05
1-Dec-2018	656.85	1-Jun-2037	2,452.85
1-Jun-2019	680.65	1-Dec-2037	2,541.80
1-Dec-2019	705.35	1-Jun-2038	2,633.95
1-Jun-2020	730.90	1-Dec-2038	2,729.40
1-Dec-2020	757.40	1-Jun-2039	2,828.35
1-Jun-2021	784.85	1-Dec-2039	2,930.90
1-Dec-2021	813.35	1-Jun-2040	3,037.15
1-Jun-2022	842.80	1-Dec-2040	3,147.20
1-Dec-2022	873.35	1-Jun-2041	3,261.30
1-Jun-2023	905.00	1-Dec-2041	3,379.55
1-Dec-2023	937.85	1-Jun-2042	3,502.05
1-Jun-2024	\$ 971.85	1-Dec-2042	3,629.00
1-Dec-2024	1,007.05	1-Jun-2043	3,760.55
1-Jun-2025	1,043.55	1-Dec-2043	3,896.85

Date	Accreted Value	Date	Accreted Value
1-Jun-2044	4,038.15	1-Jun-2046	4,656.25
1-Dec-2044	\$4,184.50	1-Dec-2046	4,825.05
1-Jun-2045	4,336.20	1-Jun-2047	5,000.00
1-Dec-2045	4,493.40		

* Initial principal amount on date of issuance.

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular. Assumes that Turbo Redemptions are credited at their Accreted Value against the Bond Obligation then due, whereupon the remaining Bond Obligation continues to accrete until redeemed.

Projected Turbo Schedule†

Date (June 1)	Series 2007 B Bonds Expected Amortization of Accreted Value
2028	\$138,426,699
2029	492,874,715
2030	266,775,872

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

SCHEDULE C

\$128,182,923* Series 2007 C Bonds

Due: June 1, 2052

Approximate Yield to Maturity: 7.500%

Maturity Value: \$3,417,300,000

Projected Final Turbo Redemption Date: June 1, 2031†

Projected Average Life: 23.2 years

Default Rate 7.500%

TABLE OF ACCRETED VALUES (Expressed per \$5,000 Maturity Amount) Accreted Values

Date	Accreted Value	Date	Accreted Value
29-Oct-2007	\$187.55*	1-Jun-2026	737.20
1-Jun-2008	195.85	1-Dec-2026	764.85
1-Dec-2008	203.20	1-Jun-2027	793.50
1-Jun-2009	210.85	1-Dec-2027	823.25
1-Dec-2009	218.75	1-Jun-2028	854.15
1-Jun-2010	226.95	1-Dec-2028	886.15
1-Dec-2010	235.45	1-Jun-2029	919.40
1-Jun-2011	244.30	1-Dec-2029	953.90
1-Dec-2011	253.45	1-Jun-2030	989.65
1-Jun-2012	262.95	1-Dec-2030	\$1,026.75
1-Dec-2012	272.80	1-Jun-2031	1,065.25
1-Jun-2013	283.05	1-Dec-2031	1,105.20
1-Dec-2013	293.65	1-Jun-2032	1,146.65
1-Jun-2014	304.70	1-Dec-2032	1,189.65
1-Dec-2014	316.10	1-Jun-2033	1,234.30
1-Jun-2015	327.95	1-Dec-2033	1,280.55
1-Dec-2015	340.25	1-Jun-2034	1,328.60
1-Jun-2016	353.00	1-Dec-2034	1,378.40
1-Dec-2016	366.25	1-Jun-2035	1,430.10
1-Jun-2017	380.00	1-Dec-2035	1,483.75
1-Dec-2017	394.25	1-Jun-2036	1,539.35
1-Jun-2018	409.05	1-Dec-2036	1,597.10
1-Dec-2018	424.35	1-Jun-2037	1,657.00
1-Jun-2019	440.30	1-Dec-2037	1,719.15
1-Dec-2019	456.80	1-Jun-2038	1,783.60
1-Jun-2020	473.90	1-Dec-2038	1,850.50
1-Dec-2020	491.70	1-Jun-2039	1,919.90
1-Jun-2021	510.15	1-Dec-2039	1,991.85
1-Dec-2021	529.25	1-Jun-2040	2,066.55
1-Jun-2022	549.10	1-Dec-2040	2,144.05
1-Dec-2022	569.70	1-Jun-2041	2,224.45
1-Jun-2023	\$591.05	1-Dec-2041	2,307.90
1-Dec-2023	613.25	1-Jun-2042	2,394.45
1-Jun-2024	636.25	1-Dec-2042	2,484.25
1-Dec-2024	660.10	1-Jun-2043	2,577.40
1-Jun-2025	684.85	1-Dec-2043	2,674.05
1-Dec-2025	710.55	1-Jun-2044	2,774.30

Date	Accreted Value	Date	Accreted Value
1-Dec-2044	2,878.35	1-Jun-2049	4,009.00
1-Jun-2045	2,986.30	1-Dec-2049	4,159.35
1-Dec-2045	3,098.30	1-Jun-2050	4,315.35
1-Jun-2046	\$3,214.45	1-Dec-2050	4,477.15
1-Dec-2046	3,335.00	1-Jun-2051	4,645.05
1-Jun-2047	3,460.10	1-Dec-2051	4,819.25
1-Dec-2047	3,589.85	1-Jun-2052	5,000.00
1-Jun-2048	3,724.45		
1-Dec-2048	3,864.10		

* Initial principal amount on date of issuance.

† Assumes Turbo Redemptions are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular. Assumes that Turbo Redemptions are credited at their Accreted Value against the Bond Obligation then due, whereupon the remaining Bond Obligation continues to accrete until redeemed.

Projected Turbo Schedule†

Date (June 1)	Series 2007 C Bonds Expected Amortization of Accreted Value
2030	\$232,673,395
2031	477,579,351

† Assumes Turbo Redemption are made based on the receipt of Surplus Collections in accordance with the Global Insight Base Case Forecast and other structuring assumptions described in the Offering Circular.

EXHIBIT 1

[FORM OF SERIES 2007 A CURRENT INTEREST BONDS]

[Legend for insertion at appropriate place:] UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NUMBER A[1][2]R-1

§

UNITED STATES OF AMERICA
STATE OF OHIO

**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY
TOBACCO SETTLEMENT ASSET-BACKED [TURBO TERM] BONDS,
SERIES 2007A-[1][2] SENIOR CURRENT INTEREST BONDS**

INTEREST RATE	MATURITY DATE	DATED AS OF	CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY (the "Authority"), a body, both corporate and politic, constituting a public body, agency, and instrumentality of the State of Ohio (the "State"), for value received promises to pay to the registered owner of this Bond, on the payment dates determined pursuant to the Indenture defined below, the Principal Amount and interest at the Interest Rate set forth above from the Dated Date set forth above, or from the most recent payment date to which interest has been paid, but if the date of authentication of this Bond is after the Record Date immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on each Distribution Date in each year, beginning June 1, 2008, and at the date of payment of principal, as set forth herein, by check mailed to the address of the registered owner hereof as shown on the registration books of U.S. Bank National Association, as Trustee (the "Trustee") as maintained by the Trustee, as of the close of business on the Record Date next preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This Bond is one of the Tobacco Settlement Asset-Backed Bonds, Series 2007 (the "Series 2007 Bonds"), issued by the Authority in the aggregate principal amount of \$5,531,594,541 for the purpose of paying costs of capital facilities for a system of common schools and for state-supported and state-assisted institutions of higher education, and issued pursuant to and in full compliance with Section 2i of Article VIII of the Ohio Constitution, Sections 183.51 and 183.52 of the Ohio Revised Code (the "Act"), Resolution No. 2007-2 duly adopted by the Authority on October 3, 2007 (the "Resolution"), and a Trust Indenture as supplemented by a Series 2007 Supplement (together, the "Indenture"), by and between the Authority and the Trustee, dated as of October 1, 2007. This Bond is a security of the Authority. Reference is made to the Indenture for a description of the revenues and amounts pledged and for the provisions with respect to the incurring of indebtedness on a parity with this Bond and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Trustee and the Bondholders. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended or supplemented to the extent and in the manner provided therein.

Principal of this Bond and applicable redemption premium, if any, are payable in lawful currency of the United States of America, upon presentation and surrender of this Bond when due and payable (other than for pro rata payments) at the office of the Trustee in Columbus, Ohio, or of such other paying agent as may hereafter be designated by the Authority (in either case, the "Paying Agent").

Pursuant to the Act, (i) the Bonds and any Ancillary Facility are not general obligations of the State and the full faith and credit, revenue, and taxing power of the State are not be pledged to the payment of debt service on them or to any guarantee of the payment of that debt service, (ii) the Holders of Bonds and other Beneficiaries shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in the Act and in the Indenture, and (iii) the rights of the Holders of Bonds and other Beneficiaries to payment of debt service are limited to all or that portion of the Pledged Tobacco Receipts, and the Pledged Accounts, pledged to the payment of debt service pursuant to the Indenture in accordance with the Act, and each Bond shall bear on its face a statement to that effect.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

The Bonds of this Series are subject to redemption and prepayment prior to maturity, as set forth in the Indenture.

This Bond is a Senior Bond, a Turbo Term Bond [2007A-2 only], a Current Interest Bond and a Tax-Exempt Bond.

The Bonds are issuable only as fully registered bonds and, except as provided below, in typewritten or xerographically reproduced form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (DTC), which shall be considered to be the Bondholder for all purposes under the Indenture, including, without limitation, payment, notices and rights. There shall be a single Bond representing each maturity or portion thereof bearing a particular interest rate, and all Bonds shall be immobilized in the custody of DTC with the owners of book entry interests in those Bonds (book entry interests)

having no right to receive Bonds in the form of physical securities or certificates. Ownership of book entry interests in the Bonds shall be shown by book entry on the system maintained and operated by DTC, its participants (the Participants), and certain persons acting through those Participants. Transfers of ownership of book entry interests may be made only by that book entry system, the Authority and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book entry interests. Without further action by the Authority, the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Resolution) or to another nominee of a Depository.

It is hereby certified and recited that all acts and conditions necessary to be done or to happen or exist precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the Authority in accordance with their terms, have been done and happened or exist as required by law; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

The respective covenants of the Authority with respect hereto shall be fully discharged and of no further force and effect at such time as this Bond, together with interest hereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

Neither the members or officers of the Authority nor any person executing Bonds or other obligations of the Authority nor any official, employee, agent or appointee of the Authority or the State shall be liable personally thereon or be subject to any personal liability or accountability for any claim against the Authority or for the payment or performance of any obligation of the Authority under the Bonds or the Indenture, or for any other debt or obligation of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by its Authorized officer by the [facsimile][manual] signatures of its Chairman and Secretary, as of the date stated above.

BUCKEYE TOBACCO SETTLEMENT
FINANCING AUTHORITY

By: _____
Chairman

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in and issued in accordance with the Indenture, including the Series 2007 Supplement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Date of Authentication: _____, 2007

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING 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:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this assignment
must correspond with the name as written upon
the face of the within bond in every particular,
without alteration or enlargement, or any
change whatever.

EXHIBIT 1

[FORM OF SERIES 2007A-3 BOND]

[Legend for insertion at appropriate place:] UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NUMBER A3R-1

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UNITED STATES OF AMERICA
STATE OF OHIO

**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY
TOBACCO SETTLEMENT ASSET-BACKED BONDS,
SERIES 2007A-3 SENIOR CONVERTIBLE CAPITAL APPRECIATION TURBO TERM
BONDS**

	MATURITY DATE	DATED AS OF	CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT UPON ORIGINAL ISSUANCE:

DOLLARS

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY (the “Authority”), a body, both corporate and politic, constituting a public body, agency, and instrumentality of the State of Ohio (the “State”), for value received promises to pay to the registered owner of this Bond on the Maturity Date stated above, upon the presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, as Trustee (the “Trustee”), the Maturity Amount stated above, which is comprised of the Principal Amount Upon Original Issuance stated above plus interest accrued thereon from October 29, 2007 at the rate per annum, which when compounded on June 1, 2008 and thereafter on each Distribution Date of each year to the Conversion Date hereof results in the Accreted Value stated below on each Distribution Date stated below. Upon earlier redemption or other payment of this Bond prior to maturity, payment of this Bond shall be made at the Accreted Value (hereinafter defined) of this Bond as of the date fixed for redemption or such other payment. The “Accreted Value” of this Bond shall mean, until the Conversion Date, (i) as of any Distribution Date, the amount set forth in the Indenture referred to below and (ii) as of any date other than a Distribution Date, the sum of (a) the Accreted Value on the preceding Distribution Date and (b) the product of (1) a

fraction, the numerator of which is the number of days having elapsed from the preceding Distribution Date and the denominator of which is the number of days from such preceding Distribution Date to the next succeeding Distribution Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Distribution Dates. On and after the Conversion Date of December 1, 2012, the Accreted Value as of such Conversion Date shall constitute the principal amount hereof, and interest on this Bond shall thereafter be payable at the rate of 6.25% per annum on the principal amount hereof.

This Bond is one of the Tobacco Settlement Asset-Backed Bonds, Series 2007 (the "Series 2007 Bonds"), issued by the Authority in the aggregate principal amount of \$5,531,594,541 for the purpose of paying costs of capital facilities for a system of common schools and for state-supported and state-assisted institutions of higher education, and issued pursuant to and in full compliance with Section 2i of Article VIII of the Ohio Constitution, Sections 183.51 and 183.52 of the Ohio Revised Code (the "Act"), Resolution No. 2007-2 duly adopted by the Authority on October 3, 2007 (the "Resolution"), and a Trust Indenture as supplemented by a Series 2007 Supplement (together, the "Indenture"), by and between the Authority and the Trustee, dated as of October 1, 2007. Reference is made to the Indenture for a description of the revenues and amounts pledged and for the provisions with respect to the incurring of indebtedness on a parity with this Bond and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Trustee and the Bondholders. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended or supplemented to the extent and in the manner provided therein.

The Maturity Amount or Accreted Value of this Bond are payable in lawful currency of the United States of America, upon presentation and surrender of this Bond when due and payable (other than for pro rata payments) at the office of the Trustee in Columbus, Ohio, or of such other paying agent as may hereafter be designated by the Authority.

Pursuant to the Act, (i) the Bonds and any Ancillary Facility are not general obligations of the State and the full faith and credit, revenue, and taxing power of the State are not be pledged to the payment of debt service on them or to any guarantee of the payment of that debt service, (ii) the Holders of Bonds and other Beneficiaries shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in the Act and in the Trust Indenture, and (iii) the rights of the Holders of Bonds and other Beneficiaries to payment of debt service are limited to all or that portion of the Pledged Tobacco Receipts, and the Pledged Accounts, pledged to the payment of debt service pursuant to the Trust Indenture in accordance with the Act, and each Bond shall bear on its face a statement to that effect.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

The Bonds of this Series are subject to redemption and prepayment prior to maturity, as set forth in the Indenture.

This Bond is a Senior Bond, a Turbo Term Bond, a Tax-Exempt Bond and a Convertible Capital Appreciation Bond.

The Bonds are issuable only as fully registered bonds and, except as provided below, in typewritten or xerographically reproduced form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (DTC), which shall be considered to be the Bondholder for all purposes under the Indenture, including, without limitation, payment, notices and rights. There shall be a single Bond representing each maturity or portion thereof bearing a particular interest rate, and all Bonds shall be immobilized in the custody of DTC with the owners of book entry interests in those Bonds (book entry interests) having no right to receive Bonds in the form of physical securities or certificates. Ownership of book entry interests in the Bonds shall be shown by book entry on the system maintained and operated by DTC, its participants (the Participants), and certain persons acting through those Participants. Transfers of ownership of book entry interests may be made only by that book entry system, the Authority and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book entry interests. Without further action by the Authority, the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Resolution) or to another nominee of a Depository.

It is hereby certified and recited that all acts and conditions necessary to be done or to happen or exist precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the Authority in accordance with their terms, have been done and happened or exist as required by law; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

The respective covenants of the Authority with respect hereto shall be fully discharged and of no further force and effect at such time as this Bond, together with interest hereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

Neither the members or officers of the Authority nor any person executing Bonds or other obligations of the Authority nor any official, employee, agent or appointee of the Authority or the State shall be liable personally thereon or be subject to any personal liability or accountability for any claim against the Authority or for the payment or performance of any obligation of the Authority under the Bonds or the Indenture, or for any other debt or obligation of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by its Authorized officer by the [facsimile][manual] signatures of its Chairman and Secretary, as of the date stated above.

BUCKEYE TOBACCO SETTLEMENT
FINANCING AUTHORITY

By: _____
Chairman

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in and issued in accordance with the Indenture, including the Series 2007 Supplement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Date of Authentication: _____, 2007

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING 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:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this assignment
must correspond with the name as written upon
the face of the within bond in every particular,
without alteration or enlargement, or any
change whatever

EXHIBIT 2

[FORM OF SERIES 2007 B FIRST SUBORDINATE CAPITAL APPRECIATION BOND]

[Legend for insertion at appropriate place:] UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NUMBER BR-1

§

UNITED STATES OF AMERICA
STATE OF OHIO

**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY
TOBACCO SETTLEMENT ASSET-BACKED BONDS,
SERIES 2007 B FIRST SUBORDINATE CAPITAL APPRECIATION TURBO TERM
BONDS**

	MATURITY DATE	DATED AS OF	CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT UPON ORIGINAL ISSUANCE: DOLLARS

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY (the "Authority"), a body, both corporate and politic, constituting a public body, agency, and instrumentality of the State of Ohio (the "State"), for value received promises to pay to the registered owner of this Bond on the Maturity Date stated above, upon the presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, as Trustee (the "Trustee"), the Maturity Amount stated above, which is comprised of the Principal Amount Upon Original Issuance stated above plus interest accrued thereon from October 29, 2007 at the rate per annum, which when compounded on June 1, 2008 and thereafter on each Distribution Date of each year to the Maturity Date stated above results in the Accreted Value stated below on each Distribution Date stated below. Upon earlier redemption or other payment of this Bond prior to maturity, payment of this Bond shall be made at the Accreted Value (hereinafter defined) of this Bond as of the date fixed for redemption or such other payment. The "Accreted Value" of this Bond shall mean (i) as of any Distribution Date, the amount set forth in the Indenture referred to below and (ii) as of any date other than a Distribution Date, the sum of (a) the Accreted Value on the preceding Distribution Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Distribution Date

and the denominator of which is the number of days from such preceding Distribution Date to the next succeeding Distribution Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Distribution Dates.

This Bond is one of the Tobacco Settlement Asset-Backed Bonds, Series 2007 (the "Series 2007 Bonds"), issued by the Authority in the aggregate principal amount of \$5,531,594,541 for the purpose of paying costs of capital facilities for a system of common schools and for state-supported and state-assisted institutions of higher education, and issued pursuant to and in full compliance with Section 2i of Article VIII of the Ohio Constitution, Sections 183.51 and 183.52 of the Ohio Revised Code (the "Act"), Resolution No. 2007-2 duly adopted by the Authority on October 3, 2007 (the "Resolution"), and a Trust Indenture as supplemented by a Series 2007 Supplement (together, the "Indenture"), by and between the Authority and the Trustee, dated as of October 1, 2007. Reference is made to the Indenture for a description of the revenues and amounts pledged and for the provisions with respect to the incurring of indebtedness on a parity with this Bond and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Trustee and the Bondholders. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended or supplemented to the extent and in the manner provided therein.

The Maturity Amount or Accreted Value of this Bond are payable in lawful currency of the United States of America, upon presentation and surrender of this Bond when due and payable (other than for pro rata payments) at the office of the Trustee in Columbus, Ohio, or of such other paying agent as may hereafter be designated by the Authority.

Pursuant to the Act, (i) the Bonds and any Ancillary Facility are not general obligations of the State and the full faith and credit, revenue, and taxing power of the State are not be pledged to the payment of debt service on them or to any guarantee of the payment of that debt service, (ii) the Holders of Bonds and other Beneficiaries shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in the Act and in the Trust Indenture, and (iii) the rights of the Holders of Bonds and other Beneficiaries to payment of debt service are limited to all or that portion of the Pledged Tobacco Receipts and the Pledged Accounts, pledged to the payment of debt service pursuant to the Trust Indenture in accordance with the Act, and each Bond shall bear on its face a statement to that effect.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

The Bonds of this Series are subject to redemption and prepayment prior to maturity, as set forth in the Indenture.

This Bond is a First Subordinate Bond, a Turbo Term Bond, a Tax-Exempt Bond and a Capital Appreciation Bond.

The Bonds are issuable only as fully registered bonds and, except as provided below, in typewritten or xerographically reproduced form and registered in the name of Cede &

Co. as nominee of The Depository Trust Company, New York, New York (DTC), which shall be considered to be the Bondholder for all purposes under the Indenture, including, without limitation, payment, notices and rights. There shall be a single Bond representing each maturity or portion thereof bearing a particular interest rate, and all Bonds shall be immobilized in the custody of DTC with the owners of book entry interests in those Bonds (book entry interests) having no right to receive Bonds in the form of physical securities or certificates. Ownership of book entry interests in the Bonds shall be shown by book entry on the system maintained and operated by DTC, its participants (the Participants), and certain persons acting through those Participants. Transfers of ownership of book entry interests may be made only by that book entry system, the Authority and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book entry interests. Without further action by the Authority, the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Resolution) or to another nominee of a Depository.

It is hereby certified and recited that all acts and conditions necessary to be done or to happen or exist precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the Authority in accordance with their terms, have been done and happened or exist as required by law; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

The respective covenants of the Authority with respect hereto shall be fully discharged and of no further force and effect at such time as this Bond, together with interest hereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

Neither the members or officers of the Authority nor any person executing Bonds or other obligations of the Authority nor any official, employee, agent or appointee of the Authority or the State shall be liable personally thereon or be subject to any personal liability or accountability for any claim against the Authority or for the payment or performance of any obligation of the Authority under the Bonds or the Indenture, or for any other debt or obligation of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by its Authorized officer by the [facsimile][manual] signatures of its Chairman and Secretary, as of the date stated above.

BUCKEYE TOBACCO SETTLEMENT
FINANCING AUTHORITY

By: _____
Chairman

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in and issued in accordance with the Indenture, including the Series 2007 Supplement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Date of Authentication: _____, 2007

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING 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:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this assignment
must correspond with the name as written upon
the face of the within bond in every particular,
without alteration or enlargement, or any
change whatever

EXHIBIT 3

[FORM OF SERIES 2007 C SECOND SUBORDINATE CAPITAL APPRECIATION BOND]

[Legend for insertion at appropriate place:] UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NUMBER CR-1

\$

UNITED STATES OF AMERICA
STATE OF OHIO

**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY
TOBACCO SETTLEMENT ASSET-BACKED BONDS,
SERIES 2007 C SECOND SUBORDINATE CAPITAL APPRECIATION TURBO TERM
BONDS**

	MATURITY DATE	DATED AS OF	CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT UPON ORIGINAL ISSUANCE:

DOLLARS

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY (the “Authority”), a body, both corporate and politic, constituting a public body, agency, and instrumentality of the State of Ohio (the “State”), for value received promises to pay to the registered owner of this Bond on the Maturity Date stated above, upon the presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, as Trustee (the “Trustee”), the Maturity Amount stated above, which is comprised of the Principal Amount Upon Original Issuance stated above plus interest accrued thereon from October 29, 2007 at the rate per annum, which when compounded on June 1, 2008 and thereafter on each Distribution Date of each year to the Maturity Date stated above results in the Accreted Value stated below on each Distribution Date stated below. Upon earlier redemption or other payment of this Bond prior to maturity, payment of this Bond shall be made at the Accreted Value (hereinafter defined) of this Bond as of the date fixed for redemption or such other payment. The “Accreted Value” of

this Bond shall mean (i) as of any Distribution Date, the amount set forth in the Indenture referred to below and (ii) as of any date other than a Distribution Date, the sum of (a) the Accreted Value on the preceding Distribution Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Distribution Date and the denominator of which is the number of days from such preceding Distribution Date to the next succeeding Distribution Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Distribution Dates.

This Bond is one of the Tobacco Settlement Asset-Backed Bonds, Series 2007 (the "Series 2007 Bonds"), issued by the Authority in the aggregate principal amount of \$5,531,594,541 for the purpose of paying costs of capital facilities for a system of common schools and for state-supported and state-assisted institutions of higher education, and issued pursuant to and in full compliance with Section 2i of Article VIII of the Ohio Constitution, Sections 183.51 and 183.52 of the Ohio Revised Code (the "Act"), Resolution No. 2007-2 duly adopted by the Authority on October 3, 2007 (the "Resolution"), and a Trust Indenture as supplemented by a Series 2007 Supplement (together, the "Indenture"), by and between the Authority and the Trustee, dated as of October 1, 2007. Reference is made to the Indenture for a description of the revenues and amounts pledged and for the provisions with respect to the incurring of indebtedness on a parity with this Bond and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Trustee and the Bondholders. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended or supplemented to the extent and in the manner provided therein.

The Maturity Amount or Accreted Value of this Bond are payable in lawful currency of the United States of America, upon presentation and surrender of this Bond when due and payable (other than for pro rata payments) at the office of the Trustee in Columbus, Ohio, or of such other paying agent as may hereafter be designated by the Authority.

Pursuant to the Act, (i) the Bonds and any Ancillary Facility are not general obligations of the State and the full faith and credit, revenue, and taxing power of the State are not pledged to the payment of debt service on them or to any guarantee of the payment of that debt service, (ii) the Holders of Bonds and other Beneficiaries shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in the Act and in the Trust Indenture, and (iii) the rights of the Holders of Bonds and other Beneficiaries to payment of debt service are limited to all or that portion of the Pledged Tobacco Receipts, and the Pledged Accounts, pledged to the payment of debt service pursuant to the Trust Indenture in accordance with the Act, and each Bond shall bear on its face a statement to that effect.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

The Bonds of this Series are subject to redemption and prepayment prior to maturity, as set forth in the Indenture.

This Bond is a Second Subordinate Bond, a Turbo Term Bond, a Tax-Exempt Bond and a Capital Appreciation Bond.

The Bonds are issuable only as fully registered bonds and, except as provided below, in typewritten or xerographically reproduced form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (DTC), which shall be considered to be the Bondholder for all purposes under the Indenture, including, without limitation, payment, notices and rights. There shall be a single Bond representing each maturity or portion thereof bearing a particular interest rate, and all Bonds shall be immobilized in the custody of DTC with the owners of book entry interests in those Bonds (book entry interests) having no right to receive Bonds in the form of physical securities or certificates. Ownership of book entry interests in the Bonds shall be shown by book entry on the system maintained and operated by DTC, its participants (the Participants), and certain persons acting through those Participants. Transfers of ownership of book entry interests may be made only by that book entry system, the Authority and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book entry interests. Without further action by the Authority, the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Resolution) or to another nominee of a Depository.

It is hereby certified and recited that all acts and conditions necessary to be done or to happen or exist precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the Authority in accordance with their terms, have been done and happened or exist as required by law; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

The respective covenants of the Authority with respect hereto shall be fully discharged and of no further force and effect at such time as this Bond, together with interest hereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

Neither the members or officers of the Authority nor any person executing Bonds or other obligations of the Authority nor any official, employee, agent or appointee of the Authority or the State shall be liable personally thereon or be subject to any personal liability or accountability for any claim against the Authority or for the payment or performance of any obligation of the Authority under the Bonds or the Indenture, or for any other debt or obligation of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by its Authorized officer by the [facsimile][manual] signatures of its Chairman and Secretary, as of the date stated above.

BUCKEYE TOBACCO SETTLEMENT
FINANCING AUTHORITY

By: _____
Chairman

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in and issued in accordance with the Indenture, including the Series 2007 Supplement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Date of Authentication: _____, 2007

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING 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:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this assignment
must correspond with the name as written upon
the face of the within bond in every particular,
without alteration or enlargement, or any
change whatever