

PRELIMINARY REMARKETING CIRCULAR DATED MARCH 9, 2004

**BOOK-ENTRY ONLY SYSTEM
REMARKETING**

In the opinion of Bond Counsel, under existing laws, regulations and judicial decisions in effect on the date of delivery of the Bonds, and assuming continuing compliance with certain covenants made by the Issuer, the Corporation and the Lessee, interest on the Bonds is excludable from gross income for federal income tax purposes on the conditions and subject to the limitations set forth herein under "TAX TREATMENT" is not a specific item of tax preference under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds held by corporations is includable in such corporations' adjusted current earnings and modified alternative minimum taxable income. Interest on the Bonds is also exempt from income taxation by the Commonwealth of Kentucky and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and its political subdivisions (See "TAX TREATMENT" herein).

\$3,355,000*
CITY OF DANVILLE, KENTUCKY
MULTI-CITY LEASE REVENUE BONDS
(CITY OF CAMPBELLSVILLE, KENTUCKY
WATER AND SEWER SYSTEM REVENUE PROJECT)
FIXED RATE SERIES 2004-A

Fixed Rate Conversion Date: April 8, 2004

Mandatory Tender or Redemption Date: July 1, as shown below

On March 9, 1989, the City of Danville, Kentucky (the "Issuer") issued \$152,975,000 Money Market Municipal Multi-City Lease Revenue Bonds (Kentucky Municipal League Pooled Lease Financing Program) Series 1989 (the "Original Bonds"). The Original Bonds are special and limited obligations of the Issuer payable from (i) unexpended 1989 Bond proceeds and investment earnings thereon and available for such payment under a Trust Indenture dated as of March 1, 1989, as amended and supplemented (the "Indenture") among the Issuer, the Kentucky Municipal Finance Corporation (the "Corporation") and PNC Bank, Kentucky, Inc. (formerly known as Citizens Fidelity Bank and Trust Company), as predecessor to The Bank of New York, N.A., Cincinnati, Ohio, as trustee (the "Trustee") and (ii) payments made to the Trustee under certain lease agreements executed by participants in the pooled leasing program, as described herein. The Original Bonds are also payable from funds drawn under an irrevocable direct pay Letter of Credit issued by Fifth Third Bank.

On April 8, 2004, a portion of the Original Bonds in the amount of \$3,355,000 (the "Bonds") will be converted to a Fixed Rate for the periods set forth below. The Fixed Rate for the Bonds will be determined by the Remarketing Agent in accordance with the Indenture.

THE BONDS WILL BE SECURED SOLELY BY PAYMENTS TO BE MADE TO THE TRUSTEE UNDER A LEASE DATED AS OF APRIL 8, 2004 (THE "LEASE") BETWEEN THE CITY OF CAMPBELLSVILLE, KENTUCKY (THE "LESSEE") AND THE CORPORATION, AS DESCRIBED HEREIN.

The Bonds will bear interest for the Fixed Rate Periods commencing April 8, 2004, at the rates, and will be subject to mandatory tender or redemption on the dates for termination of the Fixed Rate Periods, in the amounts, as follows:

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>
July 1, 2004	\$360,000	____%	July 1, 2009	\$375,000	____%
July 1, 2005	350,000	____%	July 1, 2010	385,000	____%
July 1, 2006	350,000	____%	July 1, 2011	400,000	____%
July 1, 2007	360,000	____%	July 1, 2012	410,000	____%
July 1, 2008	365,000	____%			

The Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Accordingly, principal, interest and premium, if any, on the Bonds will be paid by the principal corporate trust office of J.P. Morgan Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Registrar, directly to DTC or Cede & Co., its nominee. DTC will in turn remit such principal, interest or premium to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Bonds. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof, and will bear interest payable on July 1, 2004 and thereafter semiannually on each January 1 and July 1.

The Bonds are not subject to optional purchase or redemption prior to their stated maturities. The Bonds are subject to mandatory tender for purchase as described herein.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER OR THE CORPORATION OR THE LESSEE, BUT ARE LIMITED OBLIGATIONS PAYABLE ONLY FROM THE SERIES TRUST ESTATE APPLICABLE TO THE BONDS AND COMPRISED OF PAYMENTS TO BE MADE BY THE LESSEE UNDER THE LEASE REFERRED TO ABOVE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR CHARGE AGAINST THE GENERAL CREDIT OR THE TAXING POWER OF THE ISSUER OR THE LESSEE, IF ANY, OR THE GENERAL CREDIT OF THE CORPORATION AND ARE NOT IN ANY WAY AN OBLIGATION, INDEBTEDNESS OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF KENTUCKY.

Certain matters in connection with the remarketing of the Bonds are subject to the approval thereof by Peck, Shaffer & Williams LLP, Covington, Kentucky, Bond Counsel. It is expected that the remarketed Bonds will be available for delivery in definitive form on or about April 8, 2004.

FIRST KENTUCKY SECURITIES CORPORATION

April __, 2004

*Preliminary; subject to change