PRELIMINARY OFFICIAL STATEMENT

Dated December 4, 2018
(Bonds to be sold December 12, 2018, 11:00 a.m. E.S.T.)

BOOK-ENTRY-ONLY-SYSTEM

Not Bank Qualified

Rating: Moody's " "
See Ratings herein

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes, and is not a specific item of tax preference under § 57 of the Internal Revenue Code of 1986, as amended, for the purposes of the Federal individual or corporate alternative minimum taxes, upon the conditions and subject to the limitations set forth herein under "Tax Treatment". Receipt of interest on the Bonds may result in other federal income tax consequences to certain holders of the Bonds. Interest on the Bonds is exempt from income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

ELECTRONIC BIDDING VIA PARITY

$5,070,000*
CITY OF VERSAILLES PUBLIC PROPERTIES CORPORATION
FIRST MORTGAGE REVENUE BONDS
SERIES 2018 (KCTCS PROJECT)

Dated: Date of Delivery

Due: December 1, as shown below

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 Bank of New York Trust Company, N.A., Cincinnati, Ohio, 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 June 1, 2019 and thereafter semiannually on each June 1 and December 1.

SCHEDULE OF MATURITIES
(Plus accrued interest-when issued)

Due	Cusip # 925199	Amount*	Rate	Yield	Due	Cusip # 925199	Amount*	Rate	Yield
12/1/19		$270,000			12/1/27		$345,000		
12/1/20		280,000			12/1/28		355,000		
12/1/21		285,000			12/1/29		365,000		
12/1/22		295,000			12/1/30		380,000		
12/1/23		305,000			12/1/31		395,000		
12/1/24		310,000			12/1/32		410,000		
12/1/25		320,000			12/1/33		425,000		
12/1/26		330,000							

Purchaser's Option - The Purchaser of the Bonds may specify to the Financial Advisor that any 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 being subject to mandatory redemption in such maturities for such Term Bond(s).

The Bonds are being issued by the City of Versailles, Kentucky Public Properties Corporation (the "Corporation"), a nonprofit, no-stock public and governmental corporation duly organized under and existing by virtue of the laws of the Commonwealth of Kentucky for the purpose of serving as the agency and instrumentality and the constituted authority of the City of Versailles, Kentucky (the "City"), a municipal corporation and political subdivision of the Commonwealth of Kentucky, in financing the acquisition, construction and installation of necessary improvements on real property for the occupancy of the Kentucky Community and Technical College System ("KCTCS"), in furtherance of the proper public purposes of the City.

The Bonds maturing on and after December 1, 2026 shall be subject to prior redemption at the option of the Corporation on and after June 1, 2026, as discussed herein.

THE BONDS AND THE INTEREST THEREON WILL NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE CORPORATION OR THE CITY WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH AND WILL NOT BE A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY OR THE GENERAL CREDIT OF THE CORPORATION BUT WILL BE A LIMITED OBLIGATION OF THE CORPORATION SECURED SOLELY BY THE SECURITY AND PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN.

The Corporation deems this Official Statement to be final for purposes of Security and Exchange Commission Rule 15c2-12.

The Bonds are offered when, as and if issued, subject to the approval of legality and tax exemption by Dinsmore & Shohl LLP, Bond Counsel, Covington, Kentucky. Certain legal matters have been passed upon for the Corporation by William Moore, Esq., City Attorney. The Bonds are expected to be available for delivery on or about December 27, 2018.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

*Preliminary, Subject to Permitted Adjustment

FIRST KENTUCKY SECURITIES CORPORATION
Financial Advisor

CITY OF VERSAILLES PUBLIC PROPERTIES CORPORATION

BOARD OF DIRECTORS
Brian Traugott, President
Jack Kain, Vice President
Owen Roberts
John Soper
Bart Miller
Jonathan Gay
William K. Moore, Secretary
Allison B. White, Treasurer

CITY OF VERAILLES, KENTUCKY

Mayor
Brian Traugott

Council Members
Mike Coleman
Laura Dake
Mary E. Bradley
Ann Miller
Owen L. Roberts
Ken Kerkhoff

City Attorney
William Moore, Esq.

City Clerk/Treasurer
Allison B. White

BOND COUNSEL
Dinsmore & Shohl LLP
Covington, Kentucky

FINANCIAL ADVISOR
First Kentucky Securities Corporation
Frankfort, Kentucky

PAYING AGENT/BOND REGISTRAR
U.S. Bank, National Association
Louisville, Kentucky

REGARDING THIS OFFICIAL STATEMENT

This Official Statement which includes the cover page does not constitute an offering of any security other than the original offering of the Bonds of the City of Versailles Public Properties Corporation identified on the cover page hereof. No person has been authorized by the Corporation or the City to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized by the Corporation, the City or the Financial Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Certain information may not be the most current that is available; however, attempts were made to date and document sources of information.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the City since the date hereof.

Upon issuance, the Bonds will not be registered by the Corporation or the City under any federal or state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the Corporation or the City will have, at the request of the Corporation or the City, passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Official Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information. Neither this Official Statement nor any oral or written representations by or on behalf of the Corporation or the City preliminary to sale of the Bonds should be regarded as part of the Corporation's or the City's contract with the successful bidder or the holders from time to time of the Bonds.

References herein to provisions of Kentucky law, whether codified in the Kentucky Revised Statutes ("KRS") or uncodified, or to the provisions of the Kentucky Constitution or the Corporation's or the City's ordinances or resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Official Statement, "debt service" means principal of, interest and any premium on, the obligations referred to, and "State" or "Kentucky" means the Commonwealth of Kentucky.

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PRELIMINARY OFFICIAL STATEMENT

$5,070,000*
CITY OF VERSAILLES, KENTUCKY PUBLIC PROPERTIES CORPORATION
FIRST MORTGAGE REVENUE BONDS
SERIES 2018 (KCTCS PROJECT)

Dated Date: Date of Delivery

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the $5,070,000* City of Versailles Public Properties Corporation (the "Corporation") First Mortgage Revenue Bonds, Series 2018 (KCTCS Project) (the "Bonds").

The Corporation was created by the City of Versailles Kentucky (the "City") to act as the agency and instrumentality of the City in financing the acquisition, construction and installation of necessary improvements on real property for the occupancy of the Kentucky Community and Technical College System ("KCTCS"), in furtherance of the proper public purposes of the City. The Corporation adopted, at the recommendation of the City, a Resolution authorizing the Bonds for the purpose of (i) constructing, installing and equipping approximately 20,000 square feet of space for open offices and a wellness center, and undertaking minor renovations to 100,000 square feet of existing office space (the "Project"), and (ii) paying the costs of the issuance of the Bonds.

The Bonds are being issued pursuant to the authority contained in Chapter 58 of the Kentucky Revised Statutes. The Bonds are special and limited obligations of the Corporation payable solely from (i) the rental income derived from a biennially renewable Lease Purchase Agreement dated as of December 1, 2018 (the "Lease") between the Corporation and KCTCS. The Bonds are further secured by a Mortgage Deed of Trust dated as of December 1, 2018 (the "Mortgage") between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), and by an assignment of the rental income derived under the Lease to the Trustee. The Mortgage provides for a partial release of land from the Mortgage Deed of Trust dated as of October 1, 2016 (the "Original Mortgage") entered into between the Corporation and the Trustee in connection with the issuance by the Corporation of its $3,900,000 First Mortgage Revenue Refunding Bonds, Series 2016 (KCTCS Project) (the "Series 2016 Bonds") and the refinancing of the acquisition, construction, installation and equipping of an approximately 130,000 square foot building for use by KCTCS (the "Existing Project"), in order to permit the Corporation to construct the additional public improvements consisting of the Project, to be located on the specific site of the Project the "2018 Project Site"). The Mortgage grants a foreclosable first mortgage lien on the Project.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CORPORATION OR THE CITY BUT ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE ONLY FROM THE SOURCES HEREIN IDENTIFIED. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR CHARGE AGAINST THE GENERAL CREDIT OF THE CORPORATION OR THE CITY, AGAINST THE TAXING POWER OF THE CITY OR AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF KENTUCKY.

THE CITY

The City of Versailles, Kentucky, is a Municipal Corporation and political subdivision of the Commonwealth of Kentucky. The City is governed by a City Council, comprised of a Mayor, elected to a four year term, and six (6) council members who are elected to two year terms. The appointed City officials who serve at the pleasure of the City are the City Administrator, City Clerk/Treasurer and City Attorney.

Financial, demographic and economic data for the City is included in Appendix B.

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*Preliminary, Subject to Adjustment.

THE CORPORATION

The Corporation is a nonprofit, no-stock public corporation organized and existing under Kentucky law, including particularly § 58.180 and §§ 273.161 to 273.390, inclusive, of the Kentucky Revised Statutes.

The Corporation's principal purpose is to act as an agency and instrumentality of the City in financing the acquisition, construction and installation of improvements on real property for occupancy by KCTCS, pursuant to the general statutory laws of Kentucky, including Chapter 58 of the Kentucky Revised Statutes (the "Act").

Any bonds, notes, or other indebtedness issued or contracted by the Corporation shall, prior to the issuance or incurring thereof, be specifically approved by the City, acting by and through its City Council as its duly authorized and empowered governing body.

The members of the Board of Directors of the Corporation are the Mayor and the other members of the City Council. Their terms expire when they cease to hold public office and any successor members of the City Council and the Mayor automatically become directors of the Corporation upon assuming their public offices.

Financial, demographic and economic data for the City and KCTCS is included in Appendices C and D.

THE BONDS

General

The Bonds will be dated December 27, 2018, and will bear interest from such date, payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2019. The Bonds will mature on the dates and in the principal amounts as set forth on the cover page of this Official Statement.

Authority, Purpose and Security

The Bonds are authorized to be issued pursuant to the provisions of Section 58.180, *Kentucky Revised Statutes* and other applicable provisions of law in accordance with an ordinance of the City adopted on November 20, 2018 and a resolution of the Corporation adopted on November 20, 2018 (collectively, the “Bond Legislation”).

The Bonds are being issued for the purpose of (i) constructing, installing and equipping approximately 20,000 square feet of space for open offices and a wellness center, and undertaking minor renovations to 100,000 square feet of existing office space (the "Project"), and (ii) paying certain costs related to the issuance of the Bonds.

Upon their issuance, the Bonds will be secured by a foreclosable first mortgage lien on the Project and the 2018 Project Site granted pursuant to the Mortgage Deed of Trust dated as of December 1, 2018 (the "Mortgage") between the Corporation and the Trustee. The Bonds will also be secured by the funds and accounts established under the Mortgage and by an assignment by the Corporation of all of its right, title and interest in and to the Lease Purchase Agreement (the “Lease”) pursuant to which agreement the Project will be leased to KCTCS for automatically renewable biennial periods to the due date of the Bonds.

In order to provide rental payments sufficient to pay the principal of, interest on, and redemption premium, if any, of the Bonds when due, the Corporation will enter into the Lease with KCTCS, whereby KCTCS will agree that it will, *inter alia*, lease the Project from the Corporation, thereby providing to the Corporation adequate moneys to amortize the Bonds issued by the Corporation for the financing of the Project.

The Bonds are limited obligations of the Corporation, and do not constitute a pledge of the faith and credit of the Corporation, the City, the Commonwealth of Kentucky or any taxing authority or political subdivision thereof for the payment of the principal or interest thereon. The Corporation has no taxing authority. The Bonds are payable solely from and secured by the Mortgage and the receipts and revenues of the Corporation under the Lease.

Optional Redemption Provision

The Bonds maturing on and after December 1, 2026, shall be subject to redemption by the City prior to maturity, in whole or in part, in such order of their maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), on any date on or after June 1, 2026, at a redemption price equal to the principal amount of the Bonds called for redemption, plus unpaid interest accrued to the date of redemption, without premium.

Mandatory Sinking Fund Redemption

The Bonds maturing on December 1, ____ (the "____ Term Bonds") are subject to mandatory redemption prior to maturity, in part, through the operation of a sinking fund, at a redemption price of the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium, in the amounts and on the dates as follows:

Redemption (December 1)	Principal Amount

[TO BE COMPLETED]

Notice of Redemption; Selection of Bonds

In the event that any of the Bonds are to be redeemed, notice of such redemption, identifying the Bonds to be redeemed or amounts to be pre-paid (in integral multiples of $5,000), shall be given at least thirty (30) days prior to the date of redemption by written notification by United States mail, postage prepaid, to the registered owners thereof. In the event any Bonds shall be called for redemption in the manner above provided, and in the event that on the redemption date the Corporation shall cause to be deposited with the Trustee a sum sufficient to pay such Bonds and all charges hereon, computed to the redemption date as above set forth, then such Bonds shall be deemed to have been paid and shall no longer constitute an obligation of the Corporation and shall no longer be secured by the Mortgage and shall cease to bear interest; and thereafter the Holder thereof shall look exclusively to the Trustee for the payment thereof. If less than all Bonds of a single maturity are to be called for redemption, the Bonds to be redeemed shall be selected by lot in such manner as the Trustee may determine.

Defeasance

The Corporation reserves the right at all times during the term of the Mortgage, to make provision for discharge of all Bonds by depositing with the Trustee moneys sufficient to pay all principal and interest requirements on the Bonds to a permitted date of redemption, or to the date of maturity, together with sufficient additional moneys to redeem and outstanding Bonds on discharge all such redemption date, or to deposit with the Trustee such principal amount of permissible Investment Obligations as shall, with earnings thereon, produce the identical result.

Book Entry

Unless the successful purchaser notifies the Corporation in writing within twenty-four hours of the award of the Bonds that it has elected (at such purchaser's expense) to take physical delivery of the Bonds, The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by DTC. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to Beneficial Owners (as defined below) of beneficial ownership interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution.

The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. Neither the Corporation nor the Trustee make any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable but neither the Corporation nor the Trustee take any responsibility for the accuracy thereof.

NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

The Corporation and the Trustee cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

DTC may determine to discontinue providing its service as securities depository with respect to the Bonds at any time by giving notice to the Corporation and discharging its responsibilities with respect thereto under applicable law. In such event, the Resolution provides for issuance of fully registered Bonds ("Replacement Bonds") directly to the

Beneficial Owners of Bonds, other than DTC or its nominee, only in the event that DTC resigns or is removed as the securities depository for the Bonds. Upon the occurrence of this event, the Corporation and the Trustee may appoint another qualified depository. If the Corporation and the Trustee fail to appoint a successor depository, the Bonds shall be withdrawn from DTC and issued in fully registered form, whereupon the Corporation shall execute and the Trustee, as authenticating agent, shall authenticate and deliver Replacement Bonds in the denomination of $5,000 or integral multiples thereof. The Corporation will pay for all costs and expenses of printing, executing and authenticating the Replacement Bonds. Transfer and exchange of such Replacement Bonds shall be made as provided in the Resolution.

Tax Exemption

Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest, including original issue discount, if any, on the Bonds is excludable from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations. In rendering the opinions in this paragraph, Bond Counsel has assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. Bond Counsel expresses no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Bonds. Interest on the Bonds is also exempt from income taxation and the bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

The Corporation has **not** designated the Bonds as "qualified tax-exempt obligations" with respect to certain financial institutions under Section 265 of the Internal Revenue Code of 1986, as amended.

See Appendix E hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the Bonds.

Parties to the Issuance of the Bonds

The Paying Agent and Registrar is U.S. Bank National Association, Louisville, Kentucky. Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. The Financial Advisor to the Corporation is First Kentucky Securities Corporation.

Disclosure Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and continuing disclosure documents of the Corporation and the City are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Bonds, including the Ordinance and the bond forms, are available from the Corporation.

The Corporation deems this Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof, and certain pages herein which have been omitted in accordance with the Rule, and will be provided with the final official Statement.

Additional Information

Additional information concerning this Official Statement, as well as copies of the basic documentation relating to the Bonds, is available from First Kentucky Securities Corporation, Financial Advisor to the Corporation and the City, 1500 Leestown Road, Suite 330, Lexington, Kentucky 40511, telephone (859)425-1100; Attn: Stan Kramer.

THE PROJECT

The Bonds are being issued for the purpose of (i) constructing, installing and equipping approximately 20,000 square feet of space for open offices and a wellness center, and undertaking minor renovations to 100,000 square feet of existing office space, and (ii) paying certain costs related to the issuance of the Bonds.

Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount of Bonds	$5,070,000
Total	
Uses of Funds	
Deposit to Construction Fund	
Underwriter's Discount	
Costs of Issuance	
Total	

THE LEASE

The following is a summary of certain of the terms and provisions of the Lease.

Lease Period and Amount

The Lease provides that KCTCS shall Lease from the Corporation the Project for the current period beginning December 1, 2018 and ending June 30, 2020 at an agreed and stipulated rental payable solely by KCTCS equal to (i) the aggregate of the interest on and principal due on financing obtained by the Corporation for the Project, including the Bonds, which will become due and payable during such period (the "Fixed Rent"), together with (ii) the cost of maintaining and repairing the Original Project and the Project, including the cost of insuring the Project (the "Additional Rent").

Following the initial term of the Lease, nothing in the Lease shall be construed as binding the KCTCS for the payment of annual rentals beyond the rental for the current term ending on June 30 of an even numbered year, but the KCTCS shall on July 1 of each even numbered year become indebted to the Corporation for the rentals stipulated for the period ending on the June 30 of the next succeeding even numbered year only upon the exercise of its option to renew.

Option to Renew

The Lease may be renewed for another period of two years, provided that if the Lease is so renewed the rentals for each two year period (the "Biennial Period") during which the Lease remains in effect shall be a sum equal to the amount of the interest and principal payments due on the Bonds during such Biennial Period. The Lease renewal shall automatically be considered to have been affirmatively exercised on July 1 of each even numbered year by the KCTCS, unless notice of its election not to exercise the option for the succeeding year is given by the KCTCS to the Corporation in writing at least 120 days prior to the renewal date.

Intent to Renew

In the Lease, the KCTCS expresses its present intention to renew the Lease in accordance with its terms, and in accordance with the options to renew as set forth therein, from Biennial Period to Biennial Period until all of the Bonds issued by the Corporation at the direction of the City are fully paid, cancelled and retired, whether at maturity or by call for redemption, but such expression of intention shall not be construed as a present election on the part of the KCTCS to extend the Lease beyond the original term.

Operation, Maintenance and Repair

The Lease provides, among the other things, that KCTCS agrees to take good care of the Original Project and the Project, to maintain and repair the same, to keep all of the leased premises and improvements thereon in good repair and working order.

Insurance

The Lease provides that the Corporation will, during the original term of the Lease and during each extended term, provide that (i) all insurable improvements presently existing, and all insurable improvements to be located upon the site of the Project (the "2018 Project Site"), are insured to the full insurable value thereof against fire, lightning, flood, earthquake and other perils with a carrier licensed to do business in the Commonwealth of Kentucky; and the Corporation will make said policies payable to the Corporation, KCTCS and the Trustee as their respective interests may appear, or cause said policies to be endorsed in an appropriate manner so that in the event of loss the proceeds thereof will be payable to the Corporation, KCTCS and the Trustee, as their respective interests may appear.

Conveyance of the Project

If the KCTCS renews the Lease from Biennial Period to Biennial Period and pays the rentals for each Biennial Period as provided and when from such rentals the Corporation shall have fully paid and retired all of the outstanding Bonds, then KCTCS is given the option to purchase the Project and the 2018 Project Site from the Corporation free and clear of all liens and encumbrances created by and under the Mortgage.

Assignment of Rights to Trustee

The Corporation has assigned the Lease and the rent payable by KCTCS under the Lease, together with all other rights, title and interest of the Corporation arising under the terms of the Lease to the Trustee for the Bondholders, as additional security for the Bonds.

THE MORTGAGE

The following is a summary of certain of the terms and provisions of the Mortgage in order to secure the payment of the principal of and interest on the Bonds. Terms not otherwise defined herein shall have the meanings given in the Mortgage. The Mortgage imposes a forecloseable first mortgage lien on the Project and 2018 Project Site.

Funds and Accounts

The proceeds of the Bonds will be deposited with the Trustee, as trust funds, and the Trustee shall hold, treat and disburse the same, as follows:

1. *Cost of Issuance Fund.* There shall be deposited in the Cost of Issuance Fund the amount of moneys necessary to pay the Cost of Issuance of the Bonds from the proceeds of the Bonds as specified and determined in the resolution of the Corporation authorizing the issuance of the Bonds or in written instructions of an authorized officer of the Corporation delivered to the Trustee.

2. *Construction Fund*. There shall be deposited into the Construction Fund such amount of the proceeds of the Bonds as shall be specified and determined by either the resolution of the Corporation authorizing the Bonds or upon written instructions of an authorized officer of the Corporation delivered to the Trustee.

Moneys credited to the Construction Fund shall be funds of the Corporation, subject to the lien of the Mortgage, and shall be expended only for payment of the costs of the Project, including real property or interests therein, physical facilities, equipment, engineering costs, easements and rights-of-way, land and any other related costs, and capitalized interest on the Bonds during construction of the Project, subject to the provisions and restrictions of the Mortgage.

Amounts in the Construction Fund shall be expended and applied by the Trustee upon written direction of the Corporation, signed by an authorized officer of the Corporation and countersigned by the architect, only for the making of disbursements for construction of the Project and related costs, pursuant to the terms of the construction agreements for the Project, and any other agreement pursuant to which the Project, or any part thereof, is to be acquired; provided that amounts in the Construction Fund to pay capitalized interest on the Bonds during construction of the Project may be transferred to the Sinking Fund as and when needed pursuant to the written direction of the Corporation, without the need for countersignature by the architect.

3. *Sinking Fund*. The Trustee shall set aside into the Sinking Fund all sums received from the purchaser or purchasers of the Bonds as representing accrued interest from the date of the Bonds to the date of delivery and payment.

The Sinking Fund shall be held and maintained by the Trustee as the primary source of payment of the principal of and interest on the Bonds. All moneys from any source at any time deposited in the Sinking Fund shall constitute Pledged Receipts for the benefit of the holders of the Bonds.

Sums from time to time in the Sinking Fund shall be continuously invested by the Trustee in Investment Obligations as defined in paragraph (1) of the definition of Investment Obligations hereinafter described. The Trustee shall sell or present for redemption, any Investment Obligations purchased by it as an investment whenever it shall be necessary to provide moneys to effectuate the purposes of the Sinking Fund.

All Fixed Rent payments at any time becoming due and payable to the Corporation from KCTCS pursuant to the terms and provisions of the Lease and all Pledged Receipts have been assigned by the Corporation to the Trustee and upon receipt thereof shall immediately be deposited by the trustee in the Sinking Fund so long as the Bonds are outstanding and shall be treated by the Trustee as Pledged Receipts, and shall be used and applied to the payment of the Bonds and interest thereon as they become due from time to time.

4. *Rebate Fund.* From and after the issuance of the Bonds, the Rebate Fund shall be held and maintained by the Trustee as a trust fund. There shall be deposited in the Rebate Fund such amounts as are required to prevent the Bonds from being classified as "arbitrage bonds" within the meaning of §§ 103(b)(2) and 148 of the Code.

Investment of Funds

Moneys held in any of the aforementioned funds may be invested until required for the purposes intended in one or more of the following "Investment Obligations":

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Additional Covenants

In the Mortgage, the Corporation, among other covenants, has covenanted as follows:

1. *Payments.* To punctually pay the principal of and interest on the Bonds when due, and at the place and in the manner prescribed in the Mortgage from the funds pledged.

2. *Maintenance of Project.* To cause the Corporation, pursuant to the terms of the Lease, to properly maintain and repair the Project.

3. *Tax Covenant.* To not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under § 103(a) of the Code. The Corporation will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Corporation, or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of §§ 103 (b) (2) and 148 of the Code. To that end, the Corporation will comply with all requirements of §§ 103 (b) (2) and 148 of the Code to the extent applicable to the Bonds. In the event that at any time the Corporation is of the opinion that it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Mortgage the Corporation shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

4. *Insurance of Project*. To, at all times until the Bonds shall be fully paid, keep all insurable real properties and improvements thereon to be insured against loss or damage by fire, lightning, flood and earthquake to their full insurable value, with standard comprehensive coverage endorsement, and the Corporation will cause all such insurance policies to be made payable in case of loss to the Trustee.

5. *Accounts and Reports*. To keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Project, and all Funds established by the

Mortgage, which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than five percent (5%) in principal amount of Bonds then outstanding or their representatives duly authorized in writing.

6. *Enforcement of the Lease.* To enforce the Lease and all other contracts and agreements in respect of the Project to which the Corporation is or will be a party, to the fullest extent provided and permitted by law.

Additional Bonds

The Corporation has represented that it is its reasonable expectation that there will be sufficient funds from the issuance of the Bonds, plus other funds which have been and will be made available for the Project, to finance the entire cost thereof and to make it fully complete and available for use and occupancy by KCTCS. The Corporation has reserved the right and authority to authorize, issue, sell and deliver a sufficient amount, but only a sufficient amount, of additional bonds which will be fully on a parity with and have the same security as the Bonds, in order to complete the Project.

In the event that if at any time insurance proceeds are insufficient to make repairs or reconstruct portions of the Project which have been damaged, the Corporation reserves the right and authority to authorize, issue, sell and deliver a sufficient amount, but only a sufficient amount, of additional bonds which will be on a parity as to security with the Bonds in order to make such necessary repairs and reconstruction.

The Corporation has further reserved the right to issue additional bonds which may be on a parity as to security with the Bonds in order to advance refund a portion of the Bonds then outstanding; provided that additional bonds for such purpose may only be issued if the annual principal and interest payments on the Bonds after issuance of the additional bonds will be no greater in any fiscal year than the annual principal and interest payments on the Bonds prior to the issuance of the additional bonds and that the final maturity date of the Bonds is no later than their original final maturity date.

However, no additional bonds on a parity as to security with the Bonds for such specific purposes hereinbefore provided may be issued unless at such time the Corporation is in compliance with all of the provisions with reference to the payment of the principal of and interest on the Bonds and is in compliance with all of the covenants made in connection with the issuance of the Bonds. If any additional bonds are issued on a basis of parity as to security with the Bonds, the Lease shall provide for increased rentals sufficient to pay the principal of and interest on such additional parity bonds.

No other additional bonds may be issued at any time secured by a pledge of the specific revenues of the Project except and unless such pledge is made subject and subordinate to the priority of the pledges herein made to secure the Bonds herein authorized and the additional bonds.

Release of Land

The parties have reserved the right, by mutual written consent at any time and from time to time, to amend the Mortgage for the purpose of effectuating the release of one or more parcels of or interest in land constituting a part of the 2018 Project Site and the removal from the lien of the Mortgage of such parcel or parcels of or interest in land subject to the following conditions:

(i) the parcel or parcels of or interest in land thus released or removed shall be used to construct public improvements, or for the granting of an easement, or other interest or title to a public utility, public or private carrier or public body for providing or improving utility services or transportation facilities, or for the acquisition or construction of any "public project" within the meaning of § 58.010 of the Kentucky Revised Statutes and the Trustee shall be provided a certification of the Corporation to the effect that such parcel, parcels or interest in land will be used for such purposes; and

(ii) there shall be filed with the Trustee a copy of the instrument providing for such release together with (i) a certificate of an Authorized Officer of the Corporation describing the improvements or other facilities which will be constructed thereon or the utility or other facilities and services which will be provided or improved thereby and that in the opinion of such Authorized Officer such parcel or parcels of land are not otherwise needed for the operation of the Project and that the release will not materially impair the efficiency or utilitarian value of the Project or the Project Site and will not impede the means of egress thereto or egress therefrom to any material extent and (ii) a certification of the Corporation to the effect that the value of the Project following such release shall be not less than the principal amount of Bonds then Outstanding; or

(iii) the Corporation at the written request of the City shall sell a portion of such real estate not needed for public purposes as provided by law so long as the rentals payable under the Lease are not diminished by reason of such sale and release of a portion of the lien created by the Mortgage and provided that the Corporation shall have furnished the Trustee a certification of the Corporation to the effect that the value of the Project following such release shall be not less than the principal amount of Bonds then outstanding.

Amendments

The parties may at any time and from time to time supplement or make any amendment or change in the Mortgage

(i) to cure any formal defect or ambiguity if, in the opinion of the Trustee, such amendment or change is not adverse to the interest of the holders of the Bonds;

(ii) to grant to or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Mortgage;

(iii) to make necessary or advisable amendments in connection with the issuance of the Bonds or additional Bonds in accordance with the terms hereof;

(iv) to permit the Trustee to comply with any obligations imposed on it by law;

(v) to achieve compliance with any federal tax law;

(vi) to maintain or improve any rating on the Bonds; or

(vii) to provide for the release of land pursuant to and subject to the conditions specified in Section 903 of the Mortgage.

Any other amendment or change shall be subject to the written consent of the holders of at least two-thirds (2/3) in principal amount of the Bonds outstanding at the time such consent is given, or in case less than all of the Bonds then outstanding are affected by the modification or amendment, of the holders of at least two-thirds (2/3) of the principal amount of the Bonds so affected.

Nothing shall permit, however, or be construed as permitting:

a. without the consent of the holder of each Bond so affected,

(i) an extension of the maturity of the principal of or the interest on any Bond,

(ii) a reduction in the principal amount of any Bond or the rate of interest or premium thereon, or

(iii) a reduction in the amount or extension of the time of paying of any mandatory sinking fund requirements, or

b. without the consent of the Holders of all Bonds then outstanding,

(i) the creation of a privilege or priority of any Bond over any other Bond, or

(ii) a reduction in the aggregate principal amount of the Bonds required for consent to amendments.

An amended or supplemental Mortgage for the purposes described in the Mortgage shall be effective upon the execution thereof by the Corporation and the Trustee and delivery thereof to the Trustee, together with any necessary consent of Bondholders.

Events of Default and Remedies

1. *Events of Default*. Each of the following events is declared an "Event of Default" under the Mortgage:

a. the Corporation shall default in the payment of the principal of any Bonds when and as the same shall become due, whether at maturity or upon call for redemption or otherwise or the KCTCS shall default in the payment of any rentals related thereto under the Lease;

b. payment of any installment of interest on any of the Bonds shall not be made when and as the same shall become due or the KCTCS shall default in the payment of any rentals related thereto under the Lease; or

c. the Corporation or KCTCS shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Mortgage, the Lease or any sublease related thereto, any authorizing resolution of the Corporation or KCTCS relating to the Bonds, or the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or by Holders of not less than twenty-five percent (25%) in principal amount of the outstanding Bonds to the Corporation or KCTCS, as applicable.

2. *Remedies*. Upon the happening and continuance of any Event of Default specified in a or b above and subject to the receipt by the Trustee of an offer of reasonable security and indemnity as provided in the Mortgage, the Trustee shall proceed, or upon the happening and continuance of an Event of Default specified in c above, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, shall proceed, to protect and enforce its rights and the rights of the holders of the Bonds by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

a. by enforcement of the forecloseable mortgage lien on the 2018 Project Site and improvements granted by the Mortgage, and in such event the Trustee shall take over possession, custody and control of the 2018 Project Site and shall operate or carry out decretal sale of same with due regard to state and federal law and the covenants contained in the Lease for the benefit of the holders of the Bonds, provided, however, that no such foreclosure sale shall result in a deficiency judgment of any type or in any amount against KCTCS or the Corporation, and until such sale the Corporation may at any time by the discharge of the Bonds and interest thereon receive unencumbered fee simple title to the mortgaged facilities, provided further, that in the event of any such enforcement of said lien by the Trustee, there shall first be paid all expenses incident to said sale, and thereafter the Bonds then outstanding shall be paid and retired;

b. by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Corporation to enforce fully the Lease, and to charge, collect and fully account for the rental payments thereunder, and to require the Corporation to carry out any and all other covenants or agreements with the Bondholders and to perform its duties under the Act;

c. by bringing suit upon the Bonds;

d. by action or suit in equity, require the Corporation to account as if it were the trustee of an express trust for the holders of the Bonds;

e. by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds;

f. by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the holders of not less than fifty percent (50%) in principal amount of the outstanding Bonds, by annulling such declaration and its consequences; and

g. in the event that all Bonds are declared due and payable, by selling Investment Obligations of the Corporation (to the extent not theretofore set aside for redemption of the Bonds for which call has been made), and enforcing all chooses in action of the Corporation to the fullest legal extent in the name of the Corporation for the use and benefit of the holders of the Bonds.

LITIGATION

No litigation or administrative action or proceeding is pending or, to the best of the knowledge of the City or the Corporation, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the collection of revenues or the use of revenues to pay debt service on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued or delivered, or the validity of the Bonds, or to prevent or restrict the operations of the Corporation.

TAX EXEMPTION

In the opinion of Bond Counsel for the Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds is excludable from gross income for Federal income tax purposes. Bond Counsel for the Bonds is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986 (the "Code") for purposes of the Federal individual or corporate alternative minimum taxes. Furthermore, Bond Counsel for the Bonds is of the opinion that interest on the Bonds is exempt from taxation, including personal income taxation, by the Commonwealth of Kentucky and its political subdivisions.

A copy of the opinion of Bond Counsel for the Bonds is set forth in Appendix E, attached hereto.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Issuer has covenanted to comply with certain restrictions designed to ensure that interest on the related issues of Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bond documents and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel for the Bonds is of the opinion that interest on the Bonds will be excludable from gross income for Federal and Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Bonds on the tax liabilities of the individual or entity.

For example, although Bond Counsel for the Bonds is of the opinion that interest on the Bonds will not be a specific item of tax preference for the alternative minimum tax, corporations are required to include all tax-exempt interest in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Receipt of tax-exempt interest, ownership or disposition of the Bonds may result in other collateral Federal, state or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code and limiting the use of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of Bonds in a state other than Kentucky or being subject to tax in a state other than Kentucky, may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

Neither the City nor the Corporation has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

RATING

As noted on the cover page of this Official Statement, Moody's Investor's Service ("Moody's") has assigned its municipal bond rating of "__", to this issue of Bonds.

Such rating reflects only the view of said organization. Any explanation of the significance of such rating may only be obtained from Moody's, at the following address: Moody's Investors Service, 99 Church Street, New York, New York 10007.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability and/or market price of the Bonds.

The Corporation presently expects to furnish such rating agency with information and material that it may request on future general obligation bond issues. However, the Corporation assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of the rating agency's ratings on outstanding general obligation bonds.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule") and so long as the Bonds are outstanding the Corporation (the "Issuer"), the City and, for certain limited purposes, KCTCS (collectively, the “Obligated Persons”) will agree pursuant to a Continuing Disclosure Agreement dated as of December 27, 2018 (the "Disclosure Agreement") with First Kentucky Securities Corporation, as disclosure agent (the "Disclosure Agent"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided through the Disclosure Agent:

(i) to the Municipal Securities Rulemaking Board ("MSRB"), or any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB’s Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission, certain annual financial information and operating data, including audited financial statements, generally consistent with the information contained in "Appendix D" of the Official Statement ("Annual Financial Information"). The Annual Financial Information shall be provided within 270 days after the end of the fiscal year ending June 30, commencing with the fiscal year ending June 30, 2019; provided that the audited financial statements may not be available by such date, but will be made available immediately upon delivery thereof by the auditors for KCTCS;

(ii) to the MSRB through EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(g) Modifications to rights of security holders, if material;

(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) in a timely manner, to the MSRB, notice of a failure of the Obligated Persons to provide the required Annual Financial Information on or before the date specified in the Disclosure Agreement.

The Continuing Disclosure Agreement provides bondholders with certain enforcement rights in the event of a failure by the Obligated Persons to comply with the terms thereof; however, a default under the Continuing Disclosure Agreement does not constitute a default under the Resolution. The Continuing Disclosure Agreement may be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Continuing Disclosure Agreement copies of which are available at the office of the Financial should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction with respect to events as set forth in the Rule:

(a) there are no debt service reserve funds applicable to the Bonds; and
(b) there are no liquidity providers applicable to the Bonds.

The Obligated Persons previously entered into continuing disclosure undertakings (the "Prior Continuing Disclosure Undertaking") under the Rule in connection with the issuance of the Corporation's $3,900,000 First Mortgage Revenue Bonds, Series 2016 (KCTCS Project) (the "Series 2016 Bonds") and the bonds refunded by the Series 2016 Bonds (the "Prior Bonds") and the City has previously entered into continuing disclosure undertakings with respect to its water and sewer revenue bonds. Such prior continuing disclosure undertakings are collectively referred to as the "Prior Disclosure Undertakings." To the best knowledge of the Obligated Persons, each of the Obligated Persons is presently in compliance with their respective Prior Disclosure Undertakings; however, as described below, in the past, not all filings were made in a timely manner.

KCTCS failed to timely post its annual audited financial statements and operating data for each of the fiscal years ending June 30, 2011 through 2015 with EMMA. KCTCS completed updating such annual financial information and operating data with EMMA on May 2, 2016. KCTCS also posted on May 2, 2016 with EMMA, a Notice of Failure to File Annual Financial Information in connection with such delayed filing of the annual financial information and operating data. Annual audited financial statements and operating data have been timely filed for fiscal years 2016 and 2017.

With regard to base CUSIP #925182, the City failed to timely post its annual financial information and operating data for each of the fiscal years ending June 30, 2011 through 2015 with EMMA. The City posted the annual financial information and operating data with EMMA on May 2, 2016. The City also posted a Notice of Failure to File Annual Financial Information in connection with such delayed filing.

With regard to base CUSIP #925224, City of Versailles Water and Sewer Revenue Bonds, annual operating data for Fiscal Years 2011 through 2014 was filed late on EMMA. The City's annual audited financial statements for Fiscal Year 2011 were also filed late. The City posted a Notice of Failure to File Annual Financial Information related to such delayed filing. Annual audited financial statements have been timely filed each of the past five years. Annual operating data has been timely filed for fiscal years 2016 and 2017. The Obligated Persons have adopted procedures to assure timely and complete compliance with Rule 15c2-12 filings of required financial reports and notices of material events in the future.

UNDERWRITING

The Bonds are being purchased for reoffering by ____________ (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $___________ (reflecting the par amount of the Bonds, less original issue discount of $__________, less underwriter's discount of $__________, plus accrued interest of $________). The initial public offering prices which produce the yields set forth on the cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering prices which produce the yields set forth on the cover page.

FINANCIAL ADVISOR

The Bonds will be sold by the solicitation and receipt of competitive bids. First Kentucky Securities Corporation will receive a fee, subject to sale and delivery of the Bonds, for its advisory services.

MISCELLANEOUS

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Corporation from official and other sources and is believed by the Corporation to be reliable, but such information other than that obtained from official records of the Corporation has not been independently confirmed or verified by the Corporation and its accuracy is not guaranteed. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds.

This Official Statement has been duly executed and delivered for and on behalf of the City of Versailles Public Properties Corporation by its President.

CITY OF VERSAILLES PUBLIC PROPERTIES CORPORATION

By: /s/ ______________________
President

APPENDIX A

Estimated Debt Service Requirements for the Series 2018 Bonds

CITY OF VERSAILLES PUBLIC PROPERTIES CORPORATION
FIRST MORTGAGE REVENUE BONDS
SERIES 2018 (KCTCS PROJECT)

Estimated Debt Service Requirements

Date	Principal	Interest	Total	Fiscal Total
06/01/2019		83,021.25	83,021.25	83,021.25
12/01/2019	270,000	83,021.25	353,021.25	
06/01/2020		79,781.25	79,781.25	432,802.50
12/01/2020	280,000	79,781.25	359,781.25	
06/01/2021		76,211.25	76,211.25	435,992.50
12/01/2021	285,000	76,211.25	361,211.25	
06/01/2022		72,363.75	72,363.75	433,575.00
12/01/2022	295,000	72,363.75	367,363.75	
06/01/2023		68,233.75	68,233.75	435,597.50
12/01/2023	305,000	68,233.75	373,233.75	
06/01/2024		63,811.25	63,811.25	437,045.00
12/01/2024	310,000	63,811.25	373,811.25	
06/01/2025		59,161.25	59,161.25	432,972.50
12/01/2025	320,000	59,161.25	379,161.25	
06/01/2026		54,201.25	54,201.25	433,362.50
12/01/2026	330,000	54,201.25	384,201.25	
06/01/2027		48,921.25	48,921.25	433,122.50
12/01/2027	345,000	48,921.25	393,921.25	
06/01/2028		43,228.75	43,228.75	437,150.00
12/01/2028	355,000	43,228.75	398,228.75	
06/01/2029		37,193.75	37,193.75	435,422.50
12/01/2029	365,000	37,193.75	402,193.75	
06/01/2030		30,715.00	30,715.00	432,908.75
12/01/2030	380,000	30,715.00	410,715.00	
06/01/2031		23,685.00	23,685.00	434,400.00
12/01/2031	395,000	23,685.00	418,685.00	
06/01/2032		16,180.00	16,180.00	434,865.00
12/01/2032	410,000	16,180.00	426,180.00	
06/01/2033		8,287.50	8,287.50	434,467.50
12/01/2033	425,000	8,287.50	433,287.50	
06/01/2034				433,287.50
Total	$5,070,000	$1,529,992.50	$6,599,992.50	

Source: Fiscal Agent

APPENDIX B

City of Versailles Demographic, Economic and Financial Data

CITY OF VERSAILLES KENTUCKY
OPERATING DATA FY 2018

Assessment of Taxable Property

Fiscal Year Ended June 30	Real Property	Bank Franchise & Deposit Tax
2018	$751,892,793	$365,087,788
2017	791,123,694	358,118,977
2016	759,525,289	361,146,399
2015	715,032,983	346,332,446
2014	692,155,638	346,997,812
2013	601,597,793	346,790,275
2012	592,764,493	366,340,109
2011	723,040,557	330,544,994

Property Tax Rates (Per $100 of Assessed Value)

Fiscal Year Ended June 30	Real Property	Bank Shares
2018	.056	.224
2017	.056	.224
2016	.056	.224
2015	.056	.224
2014	.056	.224
2013	.056	.224
2012	.056	.224
2011	.054	.224

Taxes Levied and Collected (Includes Bank Shares)

Fiscal Year Ended June 30	Taxes Levied	Taxes Collected
2018	$648,202.68	n/a
2017	$638,159.82	$651,247.00
2016	620,983.51	615,321.00
2015	618,167.57	609,359.00
2014	593,267.20	613,404.00
2013	583,430.65	573,438.00
2012	559,000.00	562,947.00
2011	480,768.00	492,112.26

Total Population

	2012	2013	2014	2015	2016
Labor Market Area	829,237	836,565	844,317	853,550	863,080
Woodford County	25,072	25,294	25,591	25,876	26,124
Versailles	8,905	8,984	9,092	9,180	9,270
Midway	1,644	1,653	1,658	1,706	1,706

Source: U.S. Department of Commerce, Bureau of the Census, Annual Estimates.

Population by Selected Age Groups, 2016

	Woodford County		Labor Market Area	
	Number	Percent	Number	Percent
Under 16	5,135	19.7	170,162	19.7
16-24	2,792	10.7	123,705	14.3
25-44	5,935	22.7	225,731	26.2
45-64	7,788	29.8	221,608	25.7
65-84	3,999	15.3	107,742	12.5
85 and older	475	1.8	14,132	1.6
Median Age	42.5		37.1	

Source: U.S. Department of Commerce, Bureau of the Census.

Population by Race and Hispanic Origin, 2016

	Woodford County		Labor Market Area	
	Number	Percent	Number	Percent
White	24,089	92.2	744,722	86.3
Black or African American	1,339	5.1	78,445	9.1
Am. Indian & Alaska Native	59	0.2	2,908	0.3
Asian	206	0.8	18,171	2.1
Native Hawaiian & other Pacific Islander	45	0.2	554	0.1
Other/Multirace	386	1.5	18,280	2.1
Hispanic Origin	1,724	6.6	42,286	4.9

Note: Hispanic is not a race category. A person can be white, black or African American, etc. and be of hispanic origin.
Source: U.S. Department of Commerce, Bureau of the Census.

Population Projections

	2020	2025	2030	2035
Woodford County	26,593	27,421	28,229	28,941

Source: Kentucky State Data Center, University of Louisville.

Per Capita Personal Income 2015

	2010	2015	Pct. Change
Woodford County	$37,101	$45,213	21.9 %
Kentucky	$33,031	$38,588	16.8 %
U.S.	$40,277	$48,112	19.5 %
Labor Market Area Range	$28,334- $38,988	$33,507- $45,238	

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Households

	2015		2015
	Number of Households	Persons Per Household	Median Household Income
Woodford County	9,802	2.55	$58,750

Source: U.S. Department of Commerce, Bureau of the Census.

Workforce

Civilian Labor Force

	Woodford County		Labor Market Area	
	2016	Dec. 2017	2016	Dec. 2017
Civilian Labor Force	14,438	14,774	431,076	446,277
Employed	13,977	14,391	414,219	432,618
Unemployed	461	383	16,857	13,659
Unemployment Rate (%)	3.2	2.6	3.9	3.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Major Business & Industry

Firm	Product(s)/Service(s)	Emp.	Year Established
Midway			
American Howa Kentucky Inc.	Mfg. auto interior parts	45	2016
Lakeshore Learning Materials	Distrib. Educational materials	243	2017
Woodford Reserve Distillery	Mfg. distilled spirits	25	1812
Millville			
Castle & Key Distillery	Craft distillery	50	2014
Versailles			
Wurth Baer Supply Co.	Cabinet and countertop distibution	19	1990
Clark Distributing Co.	Beer & ale distribution	129	1986
More Than A Bakery LLC	Commercial bakery: cookies & crackers	70	2016
McCauley Brothers Inc	Horse feed & supplements	26	1938
Nisshin Automotive Tubing LLC	Stainless steel automotive tubing	29	2005
LEDVANCE LLC	Fluorescent lamps	225	1964
LEDVANCE LLC	Glass tubing, components are used in automotive lighting industry, flourescent lighting	150	1972
LEDADVANCE LLC	Warehousing and distribution facility	118	2004
Quad Graphics	Book printing, binding & distribution	710	1962
Ruggles Sign Co	Sign mfg., installation and service	103	1946
Suran Systems Inc	Spiral plastic, side wire, saddle stitch, ring, staple, glue & binding, computer software development	20	1991
NSG-Pilkington NA	Automobile windshield & side and back window glass aned sunroofs	300	1987
Woodford Feed Co Inc	Feed & fertilizer grinding, mixing & blending	29	1940
Woodford Reserve Distillery, Labrot & Graham Proprietors	Distilled liquors	18	1812
Woodford Sun Co Inc	Newspaper publishing	7	1869
Yokohama Indust. Inc/Div 1	Automobile air conditioning & power steering hoses, fittings & assemblies; fluid conveying products.	300	1989
Yokohama Indust. Inc/Div 2	Sealants & primers, hot melt adhesives	41	1998

Source: Kentucky Cabinet for Economic Development (11/15/18).

APPENDIX C

Kentucky Community and Technical College System Information

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

GENERAL INFORMATION

This contains certain financial and operating information regarding the Kentucky Community and Technical College System ("KCTCS" or the "System"). Unless otherwise indicated, the source of the information set forth in this document is KCTCS.

Created in May 1997 by The Kentucky Postsecondary Education Improvement Act (House Bill I) of the Kentucky General Assembly, KCTCS unified Kentucky's community and technical college institutions to become the newest postsecondary education institution in the Commonwealth of Kentucky (the "Commonwealth"). Today, KCTCS is the largest provider of postsecondary education and workforce training in the Commonwealth. KCTCS colleges are accredited, and comprehensive institutions which provide both credit and noncredit instruction primarily to in-state residents. With sixteen (16) statewide colleges, KCTCS has more than seventy (70) campuses strategically located throughout the Commonwealth all within a thirty (30) minute drive of 95 percent of all Kentuckians. KCTCS offers the lowest tuition and charges in the Commonwealth.

KCTCS is one of the nine public state-supported institutions, which operate under the coordinating authority of the Kentucky Council of Postsecondary Education. Each KCTCS college has enhanced efficiency and service by consolidating functions, support services and programs, although the System operates as a single component unit of the Commonwealth for accounting purposes. All KCTCS colleges have Southern Association of Colleges and Schools (SACS) accreditation and a commitment to make education accessible, relevant, and responsive to the needs of students, employers, and communities.

The Systems' colleges offer a wide range of academic, technical and cultural programs and confer six types of credentials upon students who complete credit programs. Credentials include certificates, diplomas and four types of associate degrees. The single most popular area of study is the baccalaureate transfer program, which allows a student to earn an associate degree at a KCTCS college and transfer those credits to any Kentucky university.

Beyond having a significant physical presence through its strategically located campuses, the System provides online education opportunities. KCTCS, through its Kentucky Virtual Campus, is the largest provider of Internet-based courses in the state, offering approximately 10,000 online course sections annually.

In addition to traditional degrees, certificates and diplomas, KCTCS provides a variety of initiatives and services that help develop high-skilled workers for today's competitive workforce. To further workforce development and to support the economic future of the Commonwealth, KCTCS develops partnerships between colleges and businesses providing Kentucky workers with specific industry skills. In FY2018, KCTCS colleges provided workforce training for over 5,000 companies throughout the Commonwealth for over 40,000 individuals.

While continuing to emphasize its historical mission to provide general education, KCTCS is increasing its focus on occupational and technical education and workforce training. The Systems' colleges provide a variety of programs and training opportunities to many of the Commonwealth's employers, along with fire and rescue training to fire departments throughout the state. The Kentucky Board of Emergency Medical Services is a component of KCTCS and certifies first responders, emergency medical technicians, and licenses paramedics and ambulance services throughout the state. KCTCS also enhances learning opportunities for all Kentuckians through noncredit continuing education. From personal improvement to cultural activities, community development programs at KCTCS institutions are tailored to meet local needs. KCTCS colleges sponsor an array of fine-arts programs that enrich their communities.

GOVERNING BOARD

The Governing Body of the System is the Board of Regents (the "Board") consisting of fourteen members. Eight (8) members are appointed by the Governor of the Commonwealth and six (6) are elected members, as follows: two members of the teaching faculty elected by faculty; two members of the nonteaching personnel elected by nonteaching personnel; and two members of the student body elected by the students. The Board was established by KRS 164.310 and its duties and responsibilities are described in KRS 164.350 et seq. Pursuant to KRS 164.321 (10), Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the Council on Postsecondary Education and a finding of fact by the Council.

As of June 30, 2018, KCTCS' Board members are as follows:

Marcia L. Roth, Chair	Ricky Lee Smith, Student Regent
Gail R. Henson, Ph.D., Vice Chair	Gavin B. Posey, Student Regent
Tammy C. Thompson, Secretary	Barry K. Martin
Lisa V. Desmarais	Porter G. Peeples, Sr.
Dr. Wynetta J. Fletcher	James Lee Stevens
Angela Fultz, Ph.D., Faculty Regent	Donald R. Tarter
Mary R. Kinney, Staff Regent	Mark A. Wells, Faculty Regent

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KCTCS COLLEGES

- Ashland Community & Technical College
- Big Sandy Community and Technical College
- Bluegrass Community & Technical College
- Elizabethtown Community & Technical College
- Gateway Community & Technical College
- Hazard Community & Technical College
- Henderson Community College
- Hopkinsville Community College
- Jefferson Community & Technical College
- Madisonville Community College
- Maysville Community & Technical College
- Owensboro Community & Technical College
- Somerset Community College
- Southcentral Kentucky Community and Technical College
- Southeast Kentucky Community & Technical College
- West Kentucky Community & Technical College

FISCAL YEAR 2017-18 BUDGET

The 2017-18 fiscal year unrestricted fund budget for KCTCS is $549,205,700, an increase of $24,532,400 compared to fiscal year 2016-17. The budget increase is primarily the result of an increase in the tuition rate (per credit hour) and the addition of a course fee for online classes.

Operations

Summary of Revenues, Expenses and Changes in Net Position

The following is a summary of KCTCS' revenues, expenses and changes in net position for the most recent three-year period that audited financial statements are available:

Year Ended June 30 (Dollars in Thousands)

	2016	2017	2018
Operating Revenue	$199,641	$209,358	$222,274
Operating Expenses	598,975	570,590	559,777
Operating loss	(399,334)	(361,232)	(337,503)
Non-operating revenue, including state Appropriations	390,699	378,410	368,961
Other revenues	8,450	20,245	2,846
Change in accounting principle (GASB 75)	0	0	(72,377)
Increase (decrease) in net position	$ (185)	$ 37,423	$ 38,073

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Enrollment

The following table indicates the fall semester head count and full-time equivalent enrollment at KCTCS for each of the academic years beginning August 2005 and ending July 2006 through the academic year beginning August 2016 and ending July 2017. The full-time equivalent ("FTE") enrollment total is calculated by adding the Full-Time Headcount for the academic year to one-third of the total Part-Time Headcount for the academic year.
The following equation reflects this calculation: FTE = (Full-Time Headcount) + 1/3 Part-Time Headcount).

Academic Year	Full-Time	Part-Time	Total Head Count	Full-Time Equivalent
2005-06	33,857	51,074	84,931	50,882
2006-07	32,860	53,615	86,475	50,732
2007-08	33,386	59,442	92,828	53,200
2008-09	34,897	55,045	89,942	53,245
2009-10	41,390	58,958	100,348	61,043
2010-11	44,712	61,952	106,664	65,363
2011-12	42,517	65,785	108,302	64,445
2012-13	38,771	58,143	96,914	58,152
2013-14	37,503	54,862	92,365	55,790
2014-15	35,508	51,519	87,027	52,681
2015-16	31,932	48,143	80,075	47,980
2016-17	30,986	48,582	79,568	47,180
2017-18	29,467	48,213	77,680	45,538

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State Appropriations

The General Assembly of the Commonwealth, based on an initial request from the Governor, approves a biennial budget which includes appropriations for all the Commonwealth's public universities. The following are the state appropriations for KCTCS for the past ten-year period from 2009-2018:

Fiscal Year	Appropriation
2008-09	214,931,200
2009-10	200,554,700
2010-11	199,156,700
2011-12	200,744,200
2012-13	191,455,700
2013-14	191,455,700
2014-15	190,162,300
2015-16	186,359,000
2016-17	185,408,000
2017-18	179,789,000

K CTCS intends to continue to seek to have funds appropriated by the General Assembly to partially support its operations.

On March 21, 2017 the Governor signed into law Senate Bill 153 that created a new section of KRS Chapter 164, establishing a comprehensive funding model for the allocation of state appropriations to public postsecondary institutions, based on: student success, course completion, and other components. Senate Bill 153 established the public university sector formula and the KCTCS sector formula in the model and requires 100% of allocable resources to be distributed through the formulas; established the funding parameters for each formula; directed the Council on Postsecondary Education to implement the funding model; included hold-harmless and stop-loss provisions in the formulas through 2021; required the Council on Postsecondary Education to establish a working group to review the model every three years; directed the Office of the State Budget Director to distribute the funds as determined by the model, including the performance funds appropriated in the 2016 budget bill; established the Postsecondary Education Performance Fund for distribution of the funds allocated through the model.

In FY 2019, KCTCS earned $6.8 million or 22% of the Performance Funding Pool in additional state appropriation. KCTCS' performance funding allocation will be distributed based on each college's performance, respective to the two-year performance funding model's calculation.

Pension System Obligations

As a public university, KCTCS is a participating agency in the Commonwealth 's two multi-employer defined benefit plans, the Kentucky Retirement System and the Kentucky Teachers Retirement System.

Pension Payments of KCTCS. The following are the employer contributions paid by KCTCS to KTRS and KERS for the years indicated:

Fiscal Year	KTRS Payment	KERS Payment	Total
2013-14	$ 6,832,170	8,638,825*	15,470,995
2014-15	6,668,442	11,721,713*	18,390,155
2015-16	6,382,556	10,543,612*	16,926,168
2016-17	5,813,635	9,352,560	15,166,195
2017-18	4,663,172	9,032,362	13,695,534

* Prior to June 30, 2017, the health insurance contribution amount was included in this figure.

Summary of Income from Student Registration Fees

The following table shows student registration fees collected by Fiscal Year, without adjustment for tuition and scholarship discounting required by GASB 34, *Basic Financial Statements – And Management's Discussion and Analysis -For State and Local Governments,* the provisions of which the Commonwealth, as a state government, elected to use in such financial statements as *The Kentucky Comprehensive Annual Financial Report.* Under this alternative method the Commonwealth expenses certain maintenance and preservation costs and does not report depreciation expense.

Fiscal Year	Fees Collected
2003-04	$99,269,000
2004-05	133,680,000
2005-06	137,695,000
2006-07	151,741,000
2007-08	168,470,000
2008-09	183,479,000
2009-10	223,576,000
2010-11	245,761,000
2011-12	242,969,000
2012-13	238,705,000
2013-14	237,230,000
2014-15	234,716,000
2015-16	226,227,000
2016-17	232,273,000
2017-18	247,265,000

Private Donations

The following table shows private donations or contributions collected by Fiscal Year for the most recent five-year period available.

Fiscal Year	Number of Donors Participating	Total Voluntary Support
2013-14	849	3,086,596
2014-15	1,320	8,501,316
2015-16	1,399	8,390,990
2016-17	958	7,690,203
2017-18	864	5,888,482

Student Registration Fees

The KCTCS Board, with the approval of the Kentucky Council on Postsecondary Education, has established a schedule of Student Registration Fees to be imposed, charged and collected from all students attending KCTCS. The schedules of fees, effective for the periods beginning July 1, 2016, July 1, 2017, and July 1, 2018, are as follows:

Registration Fee Per Semester Full-Time	Schedule of Fees Fiscal Year 2016 – 2017	Schedule of Fees Fiscal Year 2017 – 2018	Schedule of Fees Fiscal Year 2018 – 2019
In-State Tuition per Credit Hour	$156	$162	$169
Out-of-State Students:			
On-Line Courses per Credit Hour	$156	$162	$169
With Reciprocity per Credit Hour	$156	$162	$169
From Contiguous Counties per Credit Hour*	$312	$324	$338
All Other Out-of-State Students per Credit Hour	$546	$567	$592
Mandatory Student Fee per Credit Hour** (all students)	$8	$8	$8

*contiguous counties are those which border Kentucky.
**KCTCS Mandatory Student Fee is a general receipt of KCTCS, which use has been restricted by Resolution of the KCTCS Board for the purpose of repaying the obligations associated with the BuildSmart Project.

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Comparative Report on Student Financial Aid

A summary of KCTCS student financial aid is presented for the most recent three Fiscal Years available:

Scholarships and Grants	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Federal Grants:			
Pell	$37,966,585	$32,493,038	$27,750,623
Supplemental Ed Opportunity	4,255,918	3,402,703	2,749,784
College Work Study	2,624,364	2,819,354	3,445,375
Subtotal Federal Grants	**44,846,867**	**38,715,095**	**33,945,782**
Institutional Scholarships and Awards	20,603,279	21,877,392	20,829,909
Aid from Outside Agencies:			
State Grants	29,316,713	27,424,514	29,265,331
Loans:			
Federal Direct Student Loans	119,886,447	116,827,204	120,617,104
Total Student Financial Aid	**214,653,306**	**204,844,205**	**204,658,126**

APPENDIX D

Kentucky Community and Technical College System 2017/2018 Annual Financial Report

Please access this link to view the above-referenced report:

https://emma.msrb.org/ER1104959-ER864118-ER1264821.pdf

APPENDIX E

Form of Final Approving Legal Opinion of Bond Counsel

[Form of Legal Approving Opinion of Bond Counsel]

City of Versailles Public Properties Corporation
Versailles, Kentucky

Gentlemen:

We have examined the transcript of proceedings relating to the issue of $___________ First Mortgage Revenue Bonds, Series 2018 (KCTCS Project), dated December __, 2018 (the "Bonds") of the City of Versailles Public Properties Corporation (the "Corporation"), acting as an agency and instrumentality and as the constituted authority of the City of Versailles, Kentucky (the "City"), bearing interest and maturing as set forth in a Mortgage Deed of Trust from the Corporation to U.S. Bank National Association, as trustee (the "Trustee"), dated as of December 1, 2018 (the "Mortgage"), as amended from time to time.

The Bonds are authorized pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, particularly §§ 58.010 through 58.150, inclusive, of the Kentucky Revised Statutes, an ordinance of the City and a resolution of the Corporation (the "Authorizing Legislation").

The facilities to be financed with the proceeds of the Bonds (the "Project") have been leased by the Corporation to the Kentucky Community and Technical College System ("KCTCS") pursuant to a Lease Purchase Agreement dated as of December 1, 2018 (the "Lease"), for the current biennial period ending June 30, 2020. Under the Lease, KCTCS is granted the exclusive option to renew the Lease for each succeeding biennial period ending June 30 of each even numbered year at rentals sufficient to pay the Bonds and interest thereon as same become due. KCTCS has agreed to operate, maintain, repair and provide additional rent for the insurance of the Project during the term of the Lease.

The Bonds are secured by a mortgage lien created by the Mortgage and by the Lease, and all receipts derived therefrom. The Lease has been assigned to the Trustee.

We have examined a specimen Bond of this issue and approve its form.

Based on the foregoing, we are of the opinion that:

1. The Corporation is a duly organized and existing nonprofit no-stock corporation, organized and existing under the provisions of Chapter 58 and Chapter 273 of the Kentucky Revised Statutes to act as the agency and instrumentality of the City.

2. The Bonds, the Mortgage and the Lease have been duly authorized, executed and delivered by the Corporation and constitute valid, binding and enforceable obligations of the Corporation and the Lease has been duly authorized, executed and delivered by KCTCS and constitutes a valid, binding and enforceable obligation of KCTCS.

3. The Bonds constitute special obligations of the Corporation and the principal of and interest and any premium on the Bonds (collectively, "debt service"), are payable solely from the revenues and other moneys pledged and assigned by the Mortgage to secure that payment. The Bonds and the payment of debt service are not secured by an obligation or pledge of any moneys raised by taxation and the Bonds do not represent or constitute an indebtedness of the City or KCTCS or a pledge of the faith and credit or the taxing power of the City, the Commonwealth of Kentucky or any political subdivision thereof.

4. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludible from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under § 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain

covenants designed to meet the requirements of § 103 of the Code. We express no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Bonds.

5. The interest on the Bonds is not subject to taxation by the Commonwealth of Kentucky, and the Bonds are not subject to ad valorem taxation by the Commonwealth of Kentucky or by any political subdivision thereof.

The Corporation and the City have **not** designated the Bonds as "qualified tax-exempt obligations" under § 265 of the Code.

This opinion is based upon laws, regulations, rulings and decisions in effect on the date hereof. In giving this opinion, we have relied upon covenants and certifications of facts, estimates and expectations made by the Corporation, the City, KCTCS and others which we have not independently verified. It is to be understood that the enforceability of the Bonds, the Mortgage and the Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$5,070,000*
City of Versailles Public Properties Corporation
First Mortgage Revenue Bonds, Series 2018 (KCTCS Project)
SALE: December 12, 2018 at 11:00 A.M., E.D.S.T.

Notice is hereby given that electronic bids will be received by the City of Versailles Public Properties Corporation (the "Corporation"), until 11:00 a.m., E.T. on December 12, 2018 (or at such later time and date announced at least forty-eight hours in advance via the BiDCOMP™/PARITY™ system) for the purchase of $5,070,000* First Mortgage Revenue Bonds, Series 2018 (KCTCS Project) (the "Bonds"), all or none. Alternatively, written sealed or facsimile bids for the Bonds by the designated time will be received by the President at the office of the Mayor, Versailles Municipal Building, 196 South Main Street, Versailles, Kentucky 40383 (FAX: ((859) 873-5969). Electronic bids must be submitted through BiDCOMP™/PARITY™ as described herein and no other provider of electronic bidding services will be accepted. Bids will be opened and acted upon later that same day.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to Chapter 58 of the Kentucky Revised Statutes and are being issued pursuant to an ordinance adopted by the City of Versailles (the "City") on November 20, 2018 (the "City Ordinance") and a resolution adopted by the Corporation on November 20, 2018 (the "Corporation Resolution," and together with the City Ordinance, the "Legislation"). The Corporation is a nonprofit, no-stock public corporation organized and existing under Kentucky law, including particularly § 58.180 and §§ 273.161 to 273.390, inclusive, of the Kentucky Revised Statutes. The Bonds are being issued to pay the costs, not otherwise provided for, of (i) the construction, installation and equipping of approximately 20,000 square feet of space for open offices, a wellness center, and minor renovations to 100,000 square feet of office space for lease to the Kentucky Community and Technical College System ("KCTCS"), and (ii) the costs of issuing the Bonds.

The Bonds are special and limited obligations of the Corporation payable solely from (i) rental income derived from a biennially renewable Lease Purchase Agreement dated as of December 1, 2018 (the "Lease") between the Corporation and KCTCS. The Bonds are further secured by a Mortgage Deed of Trust dated as of December 1, 2018 (the "Mortgage") between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), and by an assignment of the rental income derived under the Lease to the Trustee. The Mortgage grants a foreclosable first mortgage lien on the facilities to be financed with the proceeds of the Bonds (the "Project").

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds will be dated their date of initial issuance and delivery, bearing interest from such date, payable on the first day of each June 1 and December, commencing June 1, 2019.

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*Preliminary; subject to Permitted Adjustment.

The Bonds are scheduled to mature in each of the years as follows:

Maturities December 1	Amount*	Maturities December 1	Amount*
2019	$270,000	2027	$345,000
2020	280,000	2028	355,000
2021	285,000	2029	365,000
2022	295,000	2030	380,000
2023	305,000	2031	395,000
2024	310,000	2032	410,000
2025	320,000	2033	425,000
2026	330,000		

The Bonds maturing on or after December 1, 2026 are subject to optional redemption, in whole or in part on any date on or after June 1, 2026, in such order of their maturities as shall be selected by the Corporation (less than all Series 2018 Bonds of a single maturity to be selected by lot) in integral multiples of $5,000 upon payment of the principal amount to be redeemed plus accrued interest to the date of redemption..

At least thirty (30) days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

U.S. Bank, National Association, Louisville, Kentucky, has been appointed Paying Agent and Registrar for the Bonds.

BIDDING CONDITIONS AND RESTRICTIONS

The terms and conditions of the sale of the Bonds are as follows:

(A) Electronic bids for the Bonds must be submitted through BiDCOMP™/PARITY™ system and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/PARITY™ Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by BiDCOMP™/PARITY™ shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in BiDCOMP™/PARITY™ conflict with the terms of the Official Terms and Conditions of Bond Sale, this Official Terms and Conditions of Bond Sale shall prevail. Electronic bids made through the facilities of BiDCOMP™/PARITY™ shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of the prospective bidders. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form. Written sealed bids (in a sealed envelope marked "Official Bid for Bonds") or facsimile bids for the Bonds by the designated time will be received by the President at the office of the Mayor, Versailles Municipal Building, 196 South Main Street, Versailles, Kentucky 40383 (FAX: ((859) 873-5969).

(B) Bidders are required to bid for the entire issue of Bonds at a minimum price of not less than $4,993,950 (98.5% of par) nor more than $5,323,500 (105.0% of par), PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

(C) Interest rates for the Bonds must be in multiples of one-eighth of one percent (.125%) and/or one-hundredth of one percent (.01%) and all Bonds of the same maturity and series shall bear the same and a single interest rate from the date thereof to maturity.

(D) The determination of the best bid will be made on the basis of the lowest true interest rate to be calculated as that rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the applicable series of Bonds (compounded semi-annually from the date of the applicable series of Bonds), produces an amount equal to the purchase price of the applicable series of Bonds, as set forth in the Official Bid Form, for exactly $5,070,000 principal amount of Bonds offered for sale hereunder; but the Corporation may adjust (i) the principal amount of Bonds which may be awarded to the best bidder upward or downward by up to $505,000 (the "Permitted Adjustment") up to a maximum of $5,575,000 or down to a minimum of $4,565,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted.

While it is the Corporation's intention to sell and issue the approximate par amount of the Bonds as set forth herein, there is no guarantee that adjustments and/or revisions may not be necessary in order to properly size the Bonds. Among other factors the Corporation may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds, is the size of individual maturities or sinking fund installments, assuring level debt service, and/or other preferences of the Corporation.

In the event that the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

The successful bidder for the Bonds will be notified by no later than 4:00 p.m. (Eastern Time), on the sale date of the exact revisions and/or adjustment required, if any.

(E) If three (3) or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three (3) bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will be required to certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing Wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, (ii) the initial offering price to the public as of the Sale Date of any Maturity of the Bonds, and (iii) that they 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.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the winning bidder shall advise the Corporation on the Sale Date if any maturity of the Bonds satisfies the 10% test set forth in (i) above as of the date and time of the award of the Bonds.

For purposes of the above the following terms are defined as follows:

(i) *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.

(ii) *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.

(iii) *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% common ownership, directly or indirectly.

(iv) *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 December 12, 2018.

(v) *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).

(F) Bidders have the option of specifying that all the Bonds maturing in any two or more consecutive years may, in lieu of maturing in each of such years, be combined to comprise one or more maturities of Bonds scheduled to mature in the latest of such year and be subject to mandatory sinking fund redemption at par in each of the years and in the principal amounts of such term Bonds scheduled in the year of maturity of the term Bonds, which principal amount shall mature in that year.

(G) CUSIP identification numbers will be printed on the Bonds at the expense of the Corporation. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

(H) The Corporation will provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. A final Official Statement will be provided in Electronic Form to the successful bidders, in sufficient time to meet the delivery requirements of the successful bidders under SEC and Municipal Securities Rulemaking Board Delivery Requirements.

(I) Bids need not be accompanied by a certified or bank cashier's good faith check, but the successful bidder will be required to wire transfer to the order of the Corporation an amount equal to 2% of the amount of the principal amount of Bonds awarded by the close of business on the day following the award. Said good faith amount will be forfeited as liquidated damages in the event of a failure of the successful bidder to take delivery of such Bonds when ready. The good-faith amount will be applied (without interest) to the purchase price upon delivery of the Bonds. The successful bidder shall not be required to take delivery and pay for the Bonds unless delivery is made within 45 days from the date the bid is accepted.

(J) The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. They will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Purchases of the Bonds under the DTC system must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the "Direct Participants"), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of Direct Participants or securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the "Indirect Participants"). Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

(K) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest not being subject to Federal or Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the successful bidder, in accordance with the final approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, which opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(L) Bidders are advised that First Kentucky Securities Corporation has been employed as Financial Advisor in connection with the issuance of the Bonds. Their fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof.

(M) As required by the Code, the purchasers of the Bonds will be required to certify to the Corporation as to certain of their activities regarding any reoffering to the public of the Bonds, including any reoffering prices. This information from the purchasers of the Bonds shall also be made available to the Financial Advisor immediately after the sale of the Bonds.

(N) The Corporation has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder does so at its own risk and expense and the obligation of the successful bidder to pay for the Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The Corporation will cooperate with the successful bidder in obtaining such insurance, but the Corporation will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, taxes, if any, and excluding only the fees of Moody's Investors Service, Inc. that will be paid by the Corporation.

(O) For purposes of calculating the true interest cost, the principal amount of any Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the respective series of Bonds at the same lowest true interest rate, the President of the Corporation, upon the advice of the Financial Advisor, shall determine (in his sole discretion) which of the bidders shall be awarded such Bonds.

(P) Additional information, including the Preliminary Official Statement, the Official Terms and Conditions of Bond Sale and the Official Bid Form, may be obtained from the Corporation's Financial Advisor, First Kentucky Securities Corporation; 1500 Leestown Road, Suite 330, Lexington, Kentucky 40511; Telephone: (859) 425-1100. Further information regarding

BiDCOMP™/PARITY™ may be obtained from BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422.

TAX TREATMENT

In the opinion of Bond Counsel for the Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds is excludible from gross income for Federal income tax purposes and interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986 (the "Code") for purposes of the Federal individual or corporate alternative minimum taxes. Furthermore, Bond Counsel for the Bonds is of the opinion that interest on the Bonds is exempt from taxation, including personal income taxation, by the Commonwealth of Kentucky and its political subdivisions.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Corporation has covenanted to comply with certain restrictions designed to ensure that interest on the related issues of Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bond documents and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel for the Bonds is of the opinion that interest on the Bonds will be excludible from gross income for Federal income tax purposes and that interest on the Bonds is excludible from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership or disposition of the Bonds may result in other collateral federal, state or local tax consequences for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies, under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of the Bonds in a state other than Kentucky or being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

Neither the City nor the Corporation has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

/s/ Brian Traugott
President, City of Versailles Public Properties, Inc.

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $5,070,000* of First Mortgage Revenue Bonds, Series 2018 (KCTCS Project), dated their date of initial issuance and delivery (the "Bonds"), offered for sale by the City of Versailles Public Properties Corporation (the "Corporation") in accordance with the Preliminary Official Statement dated December 5, 2018 and the Notice of Bond Sale, as advertised in The Courier-Journal, published in Louisville, Kentucky and The Woodford Sun, published in Versailles, Kentucky, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said $5,070,000* principal amount of the Bonds, the total sum of $_________ (not less than $4,993,950 (98.5% of par) nor more than $5,323,500 (105.0% of par), at the following annual rate(s), interest being payable semiannually, commencing June 1, 2019:

MATURING DECEMBER 1	AMOUNT*	INTEREST RATE	MATURING DECEMBER 1	AMOUNT*	INTEREST RATE
2019	$270,000	_______%	2027	$345,000	_______%
2020	280,000	_______%	2028	355,000	_______%
2021	285,000	_______%	2029	365,000	_______%
2022	295,000	_______%	2030	380,000	_______%
2023	305,000	_______%	2031	395,000	_______%
2024	310,000	_______%	2032	410,000	_______%
2025	320,000	_______%	2033	425,000	_______%
2026	330,000	_______%			

*Subject to Permitted Adjustment.

The Bonds maturing in the following years: ______________ are sinking fund redemption amounts for term bonds due _______________. The Bonds maturing in the following years: ______________ are sinking fund redemption amounts for term bonds due _______________.

Bids may be submitted electronically via the BiDCOMP™/PARITY™ system until the appointed date and time, but no bid will be received after such time. Notwithstanding the foregoing, completed bid forms may be submitted until the appointed date and time (i) in a sealed envelope marked "Official Bid for Bonds" or (ii) by facsimile transmission, in each case delivered to the President at the office of the Mayor, 196 South Main Street, Versailles, Kentucky 40383 (FAX: ((859) 873-5969). Neither the Corporation 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 facsimile 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.

We understand this bid may be accepted with variations in maturing amounts as provided in the Official Terms and Conditions of Bond Sale.

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

No certified or bank cashier's check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. Said good faith amount will be applied (without interest) to the purchase price when said Bonds are tendered for delivery.

We further understand that by submitting a bid we agree as follows:

If three (3) or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three (3) bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will be required to certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing Wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, or (ii) that they 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.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the Issuer determines to apply the hold-the-offering-price rule. For purposes of the above the following terms are defined as follows:

(a) *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.

(b) *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.

(c) *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% common ownership, directly or indirectly.

(d) *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 December 12, 2018.

(e) *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).

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

Respectfully submitted,

____

Bidder

____

Address

By: ______________________________________

Signature

Total interest cost from date of delivery (estimated December 27, 2018) to final maturity $____________________

Less premium bid or plus discount, if any $____________________

Aggregate interest cost $____________________
True interest rate (i.e. TIC) ____________________%

The above computation of net interest cost is submitted for information only and is not a part of this Bid.

Accepted by the Chairman of the City of Versailles Public Properties, Inc. for $____________ principal amount of Bonds at the price of $____________ as follows:

MATURING DECEMBER 1	AMOUNT	INTEREST RATE	MATURING DECEMBER 1	AMOUNT	INTEREST RATE
2019	______	______%	2027	______	______%
2020	______	______%	2028	______	______%
2021	______	______%	2029	______	______%
2022	______	______%	2030	______	______%
2023	______	______%	2031	______	______%
2024	______	______%	2032	______	______%
2025	______	______%	2033	______	______%
2026	______	______%			

Dated: December 12, 2018

____
President, City of Versailles Public Properties, Inc.