This Preliminary Official Statement and the information contained herein are subject to completion and revision in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Series 2006 Refunding Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration, qualification, or exemption under the securitie4s laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated June 8, 2006
(Bonds to be sold June 14, 2006, 11:00 a.m. E.D.S.T.)

BOOK-ENTRY-ONLY-SYSTEM

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

$6,000,000*
CITY OF VERSAILLES TI/KCTCS PUBLIC PROPERTIES, INC.
FIRST MORTGAGE REVENUE REFUNDING BONDS
SERIES 2006 (KCTCS PROJECT)

Dated: June 1, 2006

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 December 1, 2006 and thereafter semiannually on each June 1 and December 1.

SCHEDULE OF MATURITIES
(Plus accrued interest-when issued)

Due	Cusip #	Amount*	Rate	Yield	Due	Cusip #	Amount*	Rate	Yield
12/1/06		$235,000			12/1/15		$330,000		
12/1/07		245,000			12/1/16		345,000		
12/1/08		255,000			12/1/17		355,000		
12/1/09		260,000			12/1/18		370,000		
12/1/10		270,000			12/1/19		390,000		
12/1/11		285,000			12/1/20		410,000		
12/1/12		295,000			12/1/21		425,000		
12/1/13		305,000			12/1/22		445,000		
12/1/14		315,000			12/1/23		465,000		

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 TI/KCTCS Public Properties, Inc. (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, 2017, shall be subject to prior redemption at the option of the Corporation on and after December 1, 2016, 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 Peck, Shaffer & Williams LLP, Bond Counsel, Covington, Kentucky. Certain legal matters have been passed upon for the City by William Moore, Esq., City Attorney. The Bonds are expected to be available for delivery on or about June 29, 2006.

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 TI/KCTCS PUBLIC PROPERTIES , INC.

<u>BOARD OF DIRECTORS</u>
Fred Siegelman, 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

<u>Mayor</u>
Fred Siegelman

<u>Council Members</u>
Roy Benson
Luther Bland, Jr.
Mary E. Bradley
Charlie Reed
Owen L. Roberts
Nickie H. Shryock

<u>City Attorney</u>
William Moore, Esq.

<u>City Clerk/Treasurer</u>
Allison B. White

BOND COUNSEL
Peck, Shaffer & Williams LLP
Covington, Kentucky

FINANCIAL ADVISOR
First Kentucky Securities Corporation
Frankfort, Kentucky

PAYING AGENT/BOND REGISTRAR
The Bank of New York Trust Company, N.A.
Cincinnati, Ohio

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 TI/KCTCS Public Properties, Inc. 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.

TABLE OF CONTENTS

PRELIMINARY OFFICIAL STATEMENT

$6,000,000*
CITY OF VERSAILLES, KENTUCKY PUBLIC PROPERTIES CORPORATION
FIRST MORTGAGE REVENUE REFUNDING BONDS
SERIES 2006 (KCTCS PROJECT)

Dated Date: June 1, 2006

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the $6,000,000* City of Versailles TI/KCTCS Public Properties, Inc. (the "Corporation") First Mortgage Revenue Refunding Bonds, Series 2006 (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) refunding the outstanding principal amount of $5,865,000 Kentucky Area Development District Small Issuer Lease Program, City of Versailles, dated March 1, 2003, 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) rental income derived from a biennially renewable Lease Purchase Agreement dated as of March 25, 2003 (the "Lease") between the Corporation and KCTCS. The Bonds are further secured by a Mortgage Deed of Trust dated as of June 1, 2006 (the "Mortgage") between the Corporation and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), and by an assignment of the Lease to the Trustee.

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 City 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.

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").

---

*Preliminary, Subject to Adjustment.

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 through E.

THE BONDS

General

The Bonds will be dated June 1, 2006, and will bear interest from such date, payable semi-annually on December 1 and June 1 of each year, commencing on December 1, 2006. 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 City, for the purpose of paying the cost of the construction of 130,000 square feet of gross building area situated on approximately 16.4 acres of land in Versailles, Kentucky ((the “Project”) previously entered into a Lease Purchase Agreement dated as of March 25, 2003 with the Kentucky Area Development Districts Financing Trust in the aggregate principal amount of six million three hundred thirty thousand dollars ($6,330,000) (the “Prior Financing”), of which $5,865,000 principal amount remains outstanding.

In connection with the Prior Financing, which provided funds to the Corporation to acquire, construct and install the Project, the Corporation, at the direction of the City, entered into a Lease Agreement dated as of March 25, 2003 (the “Lease”) with KCTCS, a state agency of the Commonwealth of Kentucky (“KCTCS”), pursuant to which KCTCS has rented the Project from the Corporation for rentals sufficient to amortize the costs of the financing of the Project.

The Corporation and the City have determined that it is in the best interests of the City and the Corporation that the Prior Financing be refunded through the issuance of approximately $6,000,000 of City of Versailles TI/KCTCS Public Properties, Inc. First Mortgage Refunding Revenue Bonds, Series 2006 (KCTCS Project) (the "Bonds") to be dated the first day of the month in which the Bonds are to be issued and delivered.

Sufficient proceeds of the Bonds will be deposited in a special Escrow Fund and invested in U.S. Government Obligations so that said proceeds, plus the investment income therefrom, will be sufficient to (i) provide for the payment of accruing interest requirements coming due on the Prior Financing on December 1 and June 1 in each of the years from December 1, 2006 through December 1, 2012 until the redemption of the remaining Prior Financing on December 1, 2012; (ii) provide for the payment of maturing principal of the Prior Financing on December 1, in each of the years 2006 through 2012, and (iii) the redemption on December 1, 2012 of $4,050,000 of said Prior Financing maturing December 1, 2013 and thereafter without redemption premium.

The Bonds are secured under a Mortgage and Indenture of Trust (the "Indenture") between the Corporation and The Bank of New York Trust Company, N.A., Cincinnati, Ohio (the "Trustee") by a foreclosable first mortgage lien on the Project and by a first pledge of the rents, issues, profits, and revenues derived by the Corporation

Optional Redemption Provision

The Bonds maturing on and after December 1, 2017, shall be subject to redemption by the City prior to maturity, in whole or in part, in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any date, on or after December 1, 2016, 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 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 The Bank of New York Trust Company, N.A., Cincinnati, Ohio. 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 Peck, Shaffer & Williams 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, 305 Ann Street, Suite 400, Frankfort, Kentucky 40602, telephone (502) 875-4611 Attn: Stan Kramer.

THE REFUNDING PLAN

The Bonds are being issued for the purpose of (i) refunding, in advance of maturity, the Prior Financing (see "THE BONDS– Authority, Purpose and Security of the Bonds", herein), 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
Accrued Interest

Total

Uses of Funds
Accrued Interest
Deposit to Escrow 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 and the Project Site, together with all of the improvements thereon for the current period ending June 30, 2006 (with the renewal option having been exercised through June 30, 2008) 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 "Base Rent"), together with (ii) the cost of maintaining and repairing the Project and the Project Site, including the cost of insuring the Project and the Project Site (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 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 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 Project Site to 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 (i) the Lease, (ii) the Base Rent and all other rights, title and interest of the Corporation arising under the terms of the Lease and (iii) the Pledged Receipts 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 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. *Escrow Fund*. Sufficient proceeds of the Bonds will be deposited in a special Escrow Fund and invested in U.S. Government Obligations so that said proceeds, plus the investment income therefrom, will be sufficient to (i) provide for the payment of accruing interest requirements coming due on the Prior Financing on December 1 and June 1 in each of the years from December 1, 2006 through December 1, 2012 until the prior redemption of the remaining Prior Financing on December 1, 2012; (ii) provide for the payment of maturing principal on December 1, in each of the years 2006 through 2012, and (iii) the redemption on December 1, 2012 of $4,050,000 of said Prior Financing maturing December 1, 2013 and thereafter without redemption premium.

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 Base 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 the following:

(i) bonds, notes, or other obligations of or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof, and any bonds, notes, debentures or any other obligations or securities issued or guaranteed by any federal governmental agency, presently or in the future established by an Act of Congress, as amended or supplemented from time to time;

(ii) obligations of the Commonwealth of Kentucky including revenue bonds issued by its statutory authorities, commissions or agencies;

(iii) revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to 162.380;

(iv) obligations of any city of the first, second, and third classes of the Commonwealth of Kentucky, or any City for the payment of principal and interest on which the full faith and credit of the issuing body is pledged;

(v) school improvement bonds issued in accordance with the authority granted under KRS 162.080 to 162.100; or

(vi) school building revenue bonds issued in accordance with the authority granted under KRS 162.120 to 162.300, provided that the issuance of such bonds is approved by the state board for elementary and secondary education; and

(e) 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) - (d) 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.* That it will 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

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 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

(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 ingress or egress to any material extent and (ii) evidence satisfactory to the Trustee that the value of the Project following such release shall not be less than the principal amount of Bonds then outstanding; or

(iii) the Corporation at the written direction of the City shall sell a portion of said Project Site 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 with evidence satisfactory to the Trustee that the value of the Project following such release shall not be 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;

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; 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 Project Site and improvements granted by the Mortgage, and in such event the Trustee shall take over possession, custody and control of the 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 Pledged Receipts, 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 Peck, Shaffer & Williams 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.

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 "Obligated Person") will agree pursuant to a Continuing Disclosure Agreement dated as of June 1, 2006 (the "Disclosure Agreement") with The Bank of New York Trust Company, N.A., 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 each nationally recognized municipal securities information repository ("NRMSIR") and, if one is established for the Commonwealth, to its state information depository ("SID"), certain annual financial information and operating data, including audited financial statements of KCTCS prepared in accordance with generally accepted accounting principles as applied to governmental units, generally consistent with the information contained in "Appendix B" and "Appendix D" of the Official Statement ("Financial Data"); such information shall be provided within 210 days after the end of the fiscal year ending June 30, commencing with the fiscal year ending June 30, 2006; 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 the Obligated Person;

(ii) to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID, if any, notice of the occurrence of the following events, if material, with respect to the Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults;
(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 or events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders;
(h) Bond calls, 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;
(k) Rating changes; and
(l) The cure of any payment or nonpayment related default.

(iii) in a timely manner, to each NRMSIR or to the MSRB and to the SID, notice of a failure (of which the Obligated Person 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 Person to comply with the terms thereof; however, a default under the Continuing Disclosure Agreement does not constitute a default under the Bond Legislation. 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 Obligated Party 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;
(b) there are no liquidity providers applicable to the Bonds; and
(c) there is no property securing the repayment of the Bonds.

The Corporation has not previously entered into a continuing disclosure undertaking under the Rule.

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, Frankfort, Kentucky, Financial Advisor to the Corporation and the City, has requested and received permission and approval of the City to bid, either alone or in conjunction with others, on the Bonds. The Financial Advisor has expressed its intent to so bid.

First Kentucky Securities Corporation will receive a fee, subject to sale and delivery of the Bonds, for its advisory services. Said fee is separate from and in addition to compensation received, if any, for underwriting of the Bonds.

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 TI/KCTCS Public Properties, Inc. by its President.

CITY OF VERSAILLES TI/KCTCS PUBLIC PROPERTIES CORPORATION

By: /s/ ______________________
President

APPENDIX A

Estimated Debt Service Requirements for the Series 2006 Refunding Bonds

CITY OF VERSAILLES TI/KCTCS PUBLIC PROPERTIES, INC.
FIRST MORTGAGE REVENUE REFUNDING BONDS
SERIES 2006 (KCTCS PROJECT)

Estimated Debt Service Requirements

Maturity Date	Principal	Interest	Total
12/01/2006	$235,000	$239,567.50	$474,567.50
12/01/2007	245,000	231,045.00	476,045.00
12/01/2008	255,000	221,981.25	476,981.25
12/01/2009	260,000	212,517.50	472,517.50
12/01/2010	270,000	202,645.00	472,645.00
12/01/2011	285,000	192,167.50	477,167.50
12/01/2012	295,000	181,073.75	476,073.75
12/01/2013	305,000	169,371.25	474,371.25
12/01/2014	315,000	157,047.50	472,047.50
12/01/2015	330,000	144,065.00	474,065.00
12/01/2016	345,000	130,310.00	475,310.00
12/01/2017	355,000	115,871.25	470,871.25
12/01/2018	370,000	100,735.00	470,735.00
12/01/2019	390,000	84,677.50	474,677.50
12/01/2020	410,000	67,575.00	477,575.00
12/01/2021	425,000	49,516.25	474,516.25
12/01/2022	445,000	30,482.50	475,482.50
12/01/2023	465,000	10,346.25	475,346.25
Totals	$6,000,000	$2,540,995.00	$8,540,995.00

Source: Fiscal Agent

APPENDIX B

City of Versailles Demographic, Economic and Financial Data

THE CITY OF VERSAILLES

Assessment of Taxable Property

Fiscal Year Ended June 30	Real Property	Bank Franchise & Deposit Tax
2005	$469,789,867	Not yet available
2004	443,448,367	$328,678,603
2003	415,328,310	303,339,231
2002	369,050,278	285,341,780
2001	370,695,278	271,222,255
2000	351,415,244	264,300,296

Property Tax Rates (Per $100 of Assessed Value)

Fiscal Year Ended June 30	Real Property	Bank Shares
2005	.053 proposed rate	Not yet available
2004	.051	.224
2003	.044	.224
2002	.048	.224
2001	.046	.224
2000	.047	.224

Taxes Levied and Collected (Includes Bank Shares)

Fiscal Year Ended June 30	Taxes Levied	Taxes Collected
2005	$498,812.81	$482,730.05
2004	397,875.36	450,852.24
2003	323,605.28	252,965.89
2002	239,784.57	254,109.29
2001	230,181.60	175,062.47

Total Population

	2001	2002	2003	2004	2005
Labor Market Area	717,410	725,640	735,593	742,664	750,697
Woodford City	23,331	23,403	23,659	23,961	23,881
Versailles	7,486	7,472	7,459	7,498	NA
Midway	1,613	1,609	1,606	1,614	NA

Source: Applied Geographic Solutions, Simi Valley, CA (Labor Market Area and City, 2005 and later);
U.S. Department of Commerce, Bureau of the Census (all other).

Population Projections

	2005	2010	2015	2020
Labor Market Area	748,299	796,227	844,010	887,104
Woodford City	23,711	24,607	25,665	26,529

Source: Kentucky State Data Center, University of Louisville and Kentucky Cabinet for Economic Development.

Population by Selected Age Groups, 2005

	Woodford City		Labor Market Area	
	Number	Percent	Number	Percent
Under 15	4,702	19.7	145,283	19.4
15-24	3,256	13.6	105,952	14.1
25-34	2,681	11.2	116,420	15.5
35-44	3,620	15.2	113,081	15.1
45-54	4,016	16.8	107,712	14.3
55-64	2,841	11.9	77,625	10.3
65-74	1,591	6.7	45,620	6.1
75 and older	1,174	4.9	39,004	5.2
Median Age	38.9		38.9	

Source: Applied Geographic Solutions, Simi Valley, CA

Note: Hispanic is not a race category. A person can be white, black, etc. and be of hispanic origin.
Source: Applied Geographic Solutions, Semi Valley, CA

Major Business & Industry

Firm	Product(s)/Service(s)	Emp.	Year Established
Midway			
Weisenberger Mills Inc	Flour, corn meal & baking mixes	5	1862
Versailles			
Cabinet Supplier of Kentucky, Inc	Counter top cabinet distibution	30	1990
Clark Distributing Co	Beer & ale distribution	97	1986
customKYnetics Inc	Develops rehabilitation devices for exercise and motor retraining for individuals with spinal cord injury and stroke..	3	2003
Kuhlman Electric Corp	Headquarters & manufacture instrument and distribution transformers	250	1969
McCauley Brothers Inc	Horse feed & supplements	29	1938
Nisshin Automotive Tubing LLC	Stainless steel automotive tubing	11	2005
Osram Sylvania	Fluorescent lamps	575	1964
Osram Sylvania	Glass tubing, components are used in automotive lighting industry, flourescent lighting	235	1972
Osram Sylvania Inc	Warehousing and distribution facility	138	2004
Quebecor World	Book publishing & printing; staple, saddle stitch & perfect binding	745	1962
Ruggles Sign Co	Electric, fluorescent, metal, neon, plastic & wooden signs	65	1946
Suran Systems Inc	Spiral plastic, side wire, saddle stitch, ring, staple, glue & perfect binding, computer software development	20	1991
United L-N Glass Inc	Automobile windshield & side and back window glass aned sunroofs	380	1987
Woodford Feed Co Inc	Feed & fertilizer grinding, mixing & blending	36	1940
Woodford Reserve Distillery, Labrot & Graham Proprietors	Distilled liquors	18	1812
Woodford Sun Co Inc	Newspaper publishing	12	1869
Y H America Inc/Div 1	Automobile air conditioning & power steering hoses, fittings & assemblies; fluid conveying products.	315	1989
Y H America Inc/Div 2	Sealants & primers	30	1998

Source: Kentucky Cabinet for Economic Development (05/16/2006).

APPENDIX C

Kentucky Community and Technical College System Information

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

General Information

The *Kentucky Postsecondary Education Improvement Act of 1997*, which created the Kentucky Community and Technical College System, ("KCTCS"), represents an ambitious agenda to improve the quality of life of Kentuckians by expanding opportunities provided by the state's two-year public colleges.

The 16 districts of KCTCS unite 28 community and technical colleges encompassing 50 campuses. This seamless system of higher education allows students to move easily among programs and institutions as they pursue academic and technical degrees and workforce training. KCTCS is making higher education more accessible, more relevant and more responsive to citizen, employer and community needs, with a goal of doubling its enrollment by the year 2020. Enrollment already is exceeding expectations, increasing by more than 30 percent since 1999 with more than 60,000 students enrolled in credit programs this fall.

While retaining their unique identities and legacies of service, Kentucky's community and technical colleges are consolidating their functions, programs, and services to more effectively and efficiently meet the needs of students and communities. KCTCS promotes seamless access to postsecondary education through transfer of credits within the system and to four-year colleges and universities. We guarantee that credits earned in the associate in arts and associate in science programs will transfer directly to Kentucky universities and count toward bachelor's degrees. Liberal arts/university transfer is the single most popular program among our students.

KCTCS enhances learning opportunities for all Kentuckians through continuing education. From personal improvement to cultural activities, community development programs at KCTCS institutions are tailored to local needs. Through all programs, we touch the lives of more than 230,000 people a year.

KCTCS colleges provide programs that are relevant to the workplace. We assist students in preparing for *every one* of the 25 hottest jobs in America (as defined by *Money* magazine) – exciting careers in such varied fields as computers, health care and business. Our colleges move rapidly to add or change academic and technical programs – the Board of Regents has approved more than 360 new programs in less than four years – to stay relevant to today's economy while positioning Kentucky for a dynamic future.

KCTCS views postsecondary education as a crucial resource for economic development and workforce training. KCTCS forges partnerships between colleges and businesses to provide Kentucky workers with the skills they need today, and to help industries and individuals develop the capabilities they will need tomorrow. Through the Kentucky WINS (Workforce Investment Network System) program, KCTCS is providing a winning strategy to secure a stronger future for the Commonwealth. The five initial KY WINS projects created more than 1,200 jobs.

Through KCTCS, Kentucky's two-year colleges work together to achieve academic excellence, economic growth and lifelong learning. As KCTCS carries out the improvements envisioned by Governor Paul Patton and the Kentucky General Assembly, the focus is on changing lives, and Kentucky's future, for the better.

KCTCS is governed by a 14-member Board of Regents. The governor appoints eight members; six are elected by faculty, staff and students in the technical and community colleges.

The Board has appointed Dr. Michael B. McCall as KCTCS' founding president. Dr. Keith W. Bird serves as chancellor.

KCTCS is located in Versailles, Kentucky, and can be reached using the following address or phone number:

300 North Main Street
Versailles, KY 40383
Phone: 859-256-3100

Quick Facts

- KCTCS provides affordable access to quality postsecondary education and workforce training for all Kentuckians.
- KCTCS includes 65 campuses open or under construction, plus access through the Kentucky Virtual University.
- KCTCS institutions and regional universities operate regional postsecondary education centers in five communities – Elizabethtown, Glasgow, London/Corbin, Hopkinsville and Prestonsburg.

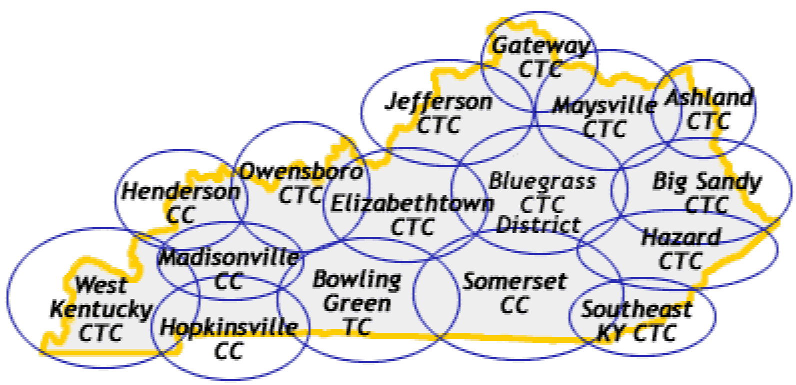
KCTCS by the Numbers

- 81,990 credit students enrolled, fall 2004
- 58% part-time students, 42% full-time students, fall 2004
- 27, students' average age, fall 2004
- 55% female students, 45% male students, fall 2004
- 70% proportion of credential-seeking students receiving financial aid, fall 2004
- 14,297 high school students enrolled (dual credit) 2003-04
- 38,000 students enrolled in distance learning/web assisted courses, 2003-04
- 73,178 students enrolled in fire/rescue training, 2003-04
- 4,183 full-time faculty and staff, fall 2004
- $570 million, annual budget, 2004?05

Credentials Granted, 2003-04

- Associate degrees 4,764
- Diplomas 2,226
- Certificates 5,750
- TOTAL 12,740

KCTCS College Districts



Ashland Community and Technical College
College Drive Campus, *Ashland*
Roberts Drive Campus, *Ashland*
Technology Drive Campus, *Ashland*

Big Sandy Community and Technical College
Mayo Campus, *Paintsville*
Pikeville Campus, *Pikeville*
Prestonsburg Campus, *Prestonsburg*

Bluegrass Community and Technical College
Cooper Campus, *Lexington*
Danville Campus, *Danville*
Lawrenceburg Campus, *Lawrenceburg*
Leestown Campus, *Lexington*
Regency Campus, *Lexington*
Winchester-Clark County Campus, *Winchester*

Bowling Green Technical College
Main Campus, *Bowling Green*
Kentucky Advanced Technology Institute, *Bowling Green*
Glasgow Technology Campus, *Glasgow*
Glasgow Campus, *Glasgow*

Elizabethtown Community and Technical College
Main Campus, *Elizabethtown*
Technical Campus, *Elizabethtown*
Fort Knox Campus, *Fort Knox*

Gateway Community and Technical College
Covington Campus, *Covington*
Edgewood Campus, *Edgewood*
Highland Heights Campus, *Highland Heights*

Hazard Community and Technical College
Hazard Campus, *Hazard*
Hazard Technical Campus, *Hazard*
Lees College Campus, *Jackson*
Knott County Branch, *Hindman*

Henderson Community College
Main Campus, *Henderson*

Hopkinsville Community College
Hopkinsville Campus, *Hopkinsville*
Fort Campbell Campus, *Fort Campbell*

Jefferson Community and Technical College
Downtown Campus, *Louisville*
Southwest Campus, *Louisville*
Carrollton Campus, *Carrollton*
Shelby Campus, *Shelbyville*
Technical Campus, *Louisville*
Kentucky Community and Technical College System comprises 16 colleges with over 65 campuses and other locations open or under construction.

Madisonville Community College
Technical Campus, *Madisonville*
North Campus, *Madisonville*
Health Campus, *Madisonville*
Muhlenburg Campus, *Central City*

Maysville Community and Technical College
Maysville Campus, *Maysville*
Morehead Campus, *Morehead*
Cynthiana Campus, *Cynthiana*

Owensboro Community and Technical College
Main Campus, *Owensboro*
Southeastern Campus, *Owensboro*
Downtown Campus, *Owensboro*

Somerset Community College
Main Campus, *Somerset*
Laurel Campus, *London*

<u>Southeast Kentucky Community and Technical College</u>
Cumberland Campus, *Cumberland*
Bell County Campus, *Middlesboro*
Bell County Campus, *Pineville*
Letcher County Campus, *Whitesburg*
Harlan County Campus, *Harlan*

<u>West Kentucky Community and Technical College</u>
Main Campus, *Paducah*
Technical Campus, *Paducah*

<u>KCTCS Profile – Please see email attachment</u>

<u>KCTCS Enrollment Information – Please see email attachment</u>

APPENDIX D

Kentucky Community and Technical College System 2004-05 Annual Financial Report

In order to access the above referenced report, please access link given in email message.

APPENDIX E

Form of Final Approving Legal Opinion of Bond Counsel

City of Versailles TI/KCTCS Public Properties, Inc.
Versailles, Kentucky

Gentlemen:

We have examined the transcript of proceedings relating to the issue of $__________ First Mortgage Revenue Refunding Bonds, Series 2006 (KCTCS Project), dated June 1, 2006 (the "Bonds") of the City of Versailles TI/KCTCS Public Properties, Inc. (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 The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), dated as of June 1, 2006 (the "Mortgage").

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 facilities to be refinanced 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 March 25, 2003 (the "Lease") for the current biennial period ending June 30, 2006, with renewal for the succeeding biennial period ending June 30, 2008 to occur on July 1, 2006. 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 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,
PECK, SHAFFER & WILLIAMS LLP

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$6,000,000*
City of Versailles TI/KCYTCS Public Properties, Inc.
First Mortgage Revenue Refunding Bonds, Series 2006 (KCTCS Project)
SALE: June 14, 2006 at 11:00 A.M., E.D.S.T.

As duly advertised, the City of Versailles TI/KCTCS Public Properties, Inc. (the "Corporation") will, until the 14th day of June, 2006, at the hour of 11:00 A.M., E.D.S.T., at the office of the Mayor, Versailles Municipal Building, 196 South Main Street, Versailles, Kentucky 40383, receive sealed competitive bids for the bonds herein described (the "Bonds"). To be considered, a proposal for the purchase of such bonds must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated. Bids will be opened and acted upon by the President of the Corporation 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 in accordance with a Bond Resolution (the "Bond Resolution") adopted by the Corporation on June 6, 2006. The Corporation is an agency and instrumentality and constituted authority of the City of Versailles, Kentucky (the “City”). Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Kentucky Community and Technical College System (“KCTCS”) under the Lease identified below.

The Bonds are being issued to provide funds refund in advance of maturity the outstanding Kentucky Area Development Districts Financing Trust Lease Acquisition Program Certificates of Participation, 2003 Series C (the Prior Issue”), the proceeds of which were used by the City of Versailles, Kentucky (the “City”) to construct construction a 130,000 square foot building situated on approximately 16.4 acres of land in Versailles, Kentucky (the “Project”) for lease to KCTCS.

The Bonds are secured by a forecloseable mortgage lien on the Project granted to The Bank of New York Trust Company, N.A. (the “Trustee”) pursuant to a Mortgage Deed of Trust dated as of June 1, 2006 (the “Mortgage”) between the Corporation and the Trustee. The Bonds are further secured by a pledge of the revenues from the rental of the Project to KCTCS under a Lease Purchase Agreement dated as of March 25, 2003 (the “Lease”) on a biennially renewable basis; the current rental period ending June 30, 2006 (the option to renew for the subsequent biennial period ending June 30, 2008 having been exercised). Under the Lease, the Project was leased to KCTCS for an initial period that ended June 30, 2004, with the option in KCTCS to renew the Lease for each two year period ending on June 30 in an even numbered year (such option having been exercised in 2004 and 2006) at rentals in each year sufficient to provide for the principal and interest requirements on financing obtained by the Corporation for the Project as same becomes due, plus the costs of insurance and maintenance expenses; KCTCS is legally obligated only for two years at a time each time the Lease is renewed. Under the Mortgage, the Corporation has pledged and assigned all of its rights under the Lease in and to the rental payments to be paid by KCTCS to the Trustee in order to secure the Bonds.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds will bear interest from June 1, 2006, payable on the first day of each June and December, commencing December 1, 2006. The Bonds are scheduled to mature on December 1, 2006 and each December 1 thereafter in each of the years as follows:

Maturities	Amount*	Maturities	Amount*
2006	$235,000	2015	$330,000
2007	245,000	2016	345,000
2008	255,000	2017	355,000
2009	260,000	2018	370,000

2010	270,000	2019	390,000
2011	285,000	2020	410,000
2012	295,000	2021	425,000
2013	305,000	2022	445,000
2014	315,000	2023	465,000

*Preliminary; subject to adjustment.

The Bonds maturing on and after December 1, 2017 shall be subject to optional redemption prior to their maturity on any date on or after December 1, 2016, in whole or in part, in such order of maturity as may be selected by the Corporation and by lot within a maturity at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest to the date of redemption.

At least thirty (30) days before the redemption date of any Bonds, the Trustee shall cause a notice of such redemption either in whole or in part, 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 Trustee, 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.

The Bank of New York Trust Company, N.A., Cincinnati, Ohio, is the Trustee, 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) Bids are required to be submitted on the Official Bid Form in order to provide for uniformity in submission of bids and ready determination of the best bid. Bids may alternatively be submitted electronically via PARITY®. Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The Corporation 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 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 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 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 PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form. Official Bid Forms, together with a Preliminary Official Statement, may be obtained at the office of the Financial Advisor, First Kentucky Securities Corporation, 305 Ann Street, Suite 400, Frankfort, Kentucky 40601, Attention Mr. Stan Kramer (502) 875-4611.

(B) Bidders are required to bid for the entire issue at a minimum price of not less than $5,940,000 (99.0% of par), plus accrued interest from June 1, 2006, to the date of delivery, PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

(C) Bidders must name an interest rate or rates in a multiple of 1/8, 1/10 or 1/20 of 1%, which rates must be on an ascending scale, in that the rate on the Bonds in any maturity is not less than the rate on the Bonds for any preceding

preceding maturity and all Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.

(D) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for Bonds at the maturities offered for sale hereunder, but the Corporation may adjust the principal amount of Bonds which may be awarded to such best bidder upwards or downward by up to $300,000 (the "Permitted Adjustment") to a maximum of $6,300,000 or a minimum of $5,700,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price at which such adjusted principal amount of Bonds will be sold will be the same price per $1,000 of Bonds as the price per $1,000 for the $6,000,000 of Bonds bid.

(E) 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.

(F) CUSIP identification numbers will be printed on the Bonds at the expense of the Corporation. The Purchaser shall pay the CUSIP Service Bureau Charge. 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.

(G) A final Official Statement will be supplied to the Purchaser. The Purchaser of the Bonds will be required to pay the costs of printing Official Statements.

(H) 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 an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. Such amount will be forfeited as liquidated damages in the event of a failure of the successful bidder to take delivery of the 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.

(I) Unless the successful bidder 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 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, 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.

Payment shall be at the principal office of the Trustee and shall be in IMMEDIATELY AVAILABLE FUNDS.

(J) 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 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 Peck, Shaffer & Williams LLP, Covington, Kentucky, which opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(K) 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. They may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

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

(M) At the election and cost of the purchaser of the Bonds, one or more maturities of the Bonds may be insured under a municipal bond insurance policy. In such event, the Corporation agrees to cooperate with the purchaser to qualify the Bonds for bond insurance; however the Corporation will not assume any of the expenses incident to the issuance of such a bond insurance policy, other than the costs for securing a rating of the Bonds from Moody's Investors Service, Inc.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") the Crporation (the "Obligated Person") will agree pursuant to a Continuing Disclosure Agreement with The Bank of New York Trust Company, Kentucky, NA, as Disclosure Agent, dated as of June 1, 2006 (the "Disclosure Agreement"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(i) to each nationally recognized municipal securities information repository ("NRMSIR") and, if one is established for the Commonwealth of Kentucky, to its state information depository ("SID"), certain annual financial information and operating data, including audited financial statements of KCTCS prepared in accordance with generally accepted accounting principles as applied to governmental units, generally consistent with the information contained in "Appendix B" and "Appendix D" of the Official Statement. Such financial information shall be provided within 210 days after the end of the fiscal year ending June 30, commencing with the fiscal year ending June 30, 2006; 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 the Obligated Person; and

(ii) to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID, if any, notice of the occurrence of the following events, if material, with respect to the Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults;
(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 or events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders;
(h) Bond calls, 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;
(k) Rating changes; and
(l) The cure, in the manner provided under the Mortgage, of any payment or nonpayment related default under the Mortgage.

(iii) in a timely manner, to each NRMSIR or to the MSRB and to the SID, notice of a failure (of which the Obligated Persons have knowledge) of an Obligated Person to provide the required Annual Financial Information on or before the date specified in the Disclosure Agreement.

The Disclosure Agreement provides bondholders, including beneficial owners of the Bonds, with certain enforcement rights in the event of a failure by the Obligated Person to comply with the terms thereof; however, a default under the Disclosure Agreement does not constitute an event of default under the Mortgage. The Disclosure Agreement may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein.

For purposes of this transaction with respect to material events as defined under the Rule:

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

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 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 income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of 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 Peck, Shaffer & Williams LLP.

Although Bond Counsel for the Bonds is of the opinion that interest on the Bonds will be excludible 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 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.

The City and the Corporation have designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

/s/ Fred Siegelman
President, City of Versailles TI/KCTCS Public Properties, Inc.

34024\1

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Bond Resolution adopted by the City of Versailles TI/KCTCS Public Properties, Inc. (the "Corporation") on June 6, 2006, providing for the sale of $6,000,000* of its First Mortgage Revenue Refunding Bonds, Series 2006 (KCTCS Project), dated June 1, 2006 (the "Bonds"), and in accordance with the Notice of Bond Sale, as advertised, and in accordance with the Official Terms and Conditions of Bond Sale, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Bonds.

We hereby bid for said $6,000,000* principal amount of the Bonds maturing on December 1, 2006 and each December 1 thereafter of the years and in the amounts set forth below, the total sum of $______________ (not less than $5,940,000) plus accrued interest from June 1, 2006, at the following annual rate(s), payable semiannually, commencing December 1, 2006 (rates on ascending scale, number of interest rates unlimited):

Year	Principal Amount*	Interest Rate
December 1, 2006	$235,000	_______%
December 1, 2007	245,000	_______%
December 1, 2008	255,000	_______%
December 1, 2009	260,000	_______%
December 1, 2010	270,000	_______%
December 1, 2011	285,000	_______%
December 1, 2012	295,000	_______%
December 1, 2013	305,000	_______%
December 1, 2014	315,000	_______%
December 1, 2015	330,000	_______%
December 1, 2016	345,000	_______%
December 1, 2017	355,000	_______%
December 1, 2018	370,000	_______%
December 1, 2019	390,000	_______%
December 1, 2020	410,000	_______%
December 1, 2021	425,000	_______%
December 1, 2022	445,000	_______%
December 1, 2023	465,000	_______%

*Preliminary, subject to adjustment.

PURCHASER'S OPTION – The Purchaser of the Bonds may specify to the Corporation 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 such may be adjusted as provided herein) comprising mandatory sinking fund redemption amounts for such Term Bond(s).

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

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

Bids may be faxed to (859) 873-4581 or telephoned to (859) 873-5969 at the offices of the Mayor of the City of Versailles, Kenntucky. Bidders may also contact the Financial Advisor, First Kentucky Securities Corporation at (502) 875-4611.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Peck, Shaffer & Williams LLP, Bond Counsel to the Corporation. We understand that no certified or bank cashier's check will be required to required to accompany the bid, but that if we are the successful bidder, we 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 amount will be applied (without interest) to the purchase price when the Bonds are tendered to us for delivery.

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

Respectfully submitted,

____

By __________________________________

Bidder

____

____

Address

Total interest cost from June 1, 2006 to final maturity	$_______________
Plus discount	$_______________
Net interest cost (Total interest cost plus discount)	$_______________
Average interest rate or cost (i.e. N.I.C.)	_______________%

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

Accepted this 14th day of June, 2006 by the City of Versailles TI?KCTCS Public Properties, Inc., as follows:

Year	Principal Amount	Interest Rate
December 1, 2006	$______	_______%
December 1, 2007	______	_______%
December 1, 2008	______	_______%
December 1, 2009	______	_______%
December 1, 2010	______	_______%
December 1, 2011	______	_______%
December 1, 2012	______	_______%
December 1, 2013	______	_______%
December 1, 2014	______	_______%
December 1, 2015	______	_______%
December 1, 2016	______	_______%
December 1, 2017	______	_______%
December 1, 2018	______	_______%
December 1, 2019	______	_______%
December 1, 2020	______	_______%
December 1, 2021	______	_______%
December 1, 2022	______	_______%
December 1, 2023	______	_______%

____
President

34025\1