

MINUTES OF MEETING HELD JUNE 14, 2004

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, June 14, 2004 at 7:00 p.m. with the following present: Mayor: J.P. Wiles, Council Members: Charlie New, Donna Hunley, John Minton, Earl Owens, Pat Bourne, Jerry Burnett, Joann Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley and Jerry Girdler. City Attorney Dan Yeast, and City Clerk David Godsey. Absent: Peggy Dugger.

Mr. Wheeldon moved to approve the minutes of the last regular meeting held on May 24, 2004 and the reports be approved as delivered. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.

Mr. Beasley moved to approve all department bills. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.

First reading was given the following Ordinance:

ORDINANCE NUMBER 04-06

AN ORDINANCE ADOPTING THE CITY OF SOMERSET, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2004 AND ENDING JUNE 30, 2005 ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS OF THE CITY OF SOMERSET, KENTUCKY.

Mr. Wheeldon moved to approve the above Ordinance on its first reading. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.

Second reading was given the following Ordinance:

<p>ORDINANCE NO. 04-06</p> <p>AN ORDINANCE ANNEXING A BOUNDARY OF REAL ESTATE (MORE COMMONLY KNOWN AS 103 MAGNOLIA AVENUE) TO THE CITY OF SOMERSET, KENTUCKY.</p> <p>BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY:</p> <p>That the City of Somerset, Kentucky, does hereby annex to the City of Somerset, Kentucky, the following boundary of unincorporated territory which is adjacent to property now contained in the City Limits.</p> <p>PARCEL 1: One certain lot of ground, located in Pulaski County, Kentucky, to-wit:</p> <p>Lot No. 2 in the Green Meadows Subdivision, to the City of Somerset, Kentucky, the plat to said subdivision being recorded in Plat Book 4, Page 21, of the Clerk's Office of the Pulaski County Court, Kentucky, to which reference is hereby made for description.</p> <p>Being the same property conveyed to Ada Hughes by Deed dated October 21, 1976, and of record in Deed Book 366, Page 484, Pulaski County Court Clerk's Office, Kentucky.</p> <p>PARCEL 2, TRACT 1: One certain lot of ground located in Pulaski County, Kentucky, to-wit:</p> <p>LOT NO. ONE(1) in the Green Meadows Subdivision, to the City of Somerset, Kentucky, the plat to said subdivision being recorded in Plat Book 4, Page 21, of the Clerk's Office of the Pulaski County Court, Kentucky, to which reference is made for description.</p> <p>TRACT 2: A certain lot or parcel of ground lying in Pulaski County, Kentucky, about four miles south of Somerset, Kentucky, bounded and described as follows:</p> <p>BEGINNING on a stone on the west side of Highway 27 about four miles south of Somerset, Kentucky, the southeast corner of the property of parties of the second part; thence south 73 degrees west 290 feet to a stone; thence south 4 degrees 15' west 50 feet to a stone; thence parallel with the first line north 73 degrees east 250</p>	<p>feet to a stone at Highway 27; thence with the west right of way of Highway 27, 50 feet to the beginning.</p> <p>BEING the same property conveyed unto the Parties of the First Part by deed of record in Deed Book 663, Page 421, Pulaski County Court Clerk's Office, Kentucky.</p> <p>FIRST READING: _____</p> <p>SECOND READING: _____</p> <p>APPROVED:</p> <p>MAYOR _____</p> <p>ATTEST:</p> <p>CITY CLERK _____</p>
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Mr. Floyd moved to approve the above Ordinance on its second reading. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheelon, Mr. Beasley, and Mr. Girdler.

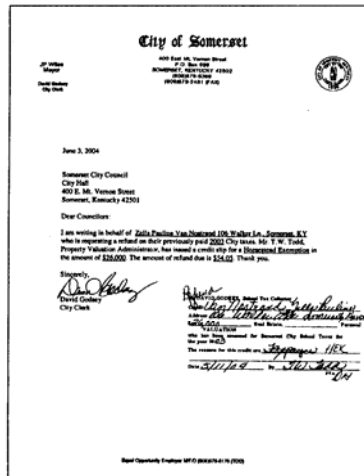
Mr. Burnett moved to approve the following chemical bids. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheelon, Mr. Beasley, and Mr. Girdler.

City of Somerset		WATER/SEWER DEPARTMENT	
J. P. WILKS Mayor		CHARLES RAY DICK Manager	
MEMORANDUM			
TO: HERRY RUNNETT, CHAIRMAN WATER COMMITTEE			
FROM: CHARLES RAY DICK, MANAGER SOMERSET WATER SERVICE			
SUBJECT: MOTION			
DATE: JUNE 14, 2004			
MOTION TO ACCEPT THE FOLLOWING BIDS FOR WATER TREATMENT CHEMICALS:			
LIQUID ALUMINUM SULFATE \$11.00 PER DRY TON GENERAL CHEMICAL			
LIQUID CAUSTIC SODA 25% \$1.00 PER WET CWT USARCHEMICAL			
HPS \$145.00 PER WET TON BENTONITE MIDDLEBURY			
CHLORINE \$23.00 PER CWT BENTONITE MIDDLEBURY			
POWDERED ACTIVATED CARBON \$42.00 PER CWT USARCHEMICAL			
PROPAGATE \$1.45 PER POUND STILFEN & SON			
Bent County Budgetary Control 000000 000000 000000 000000			

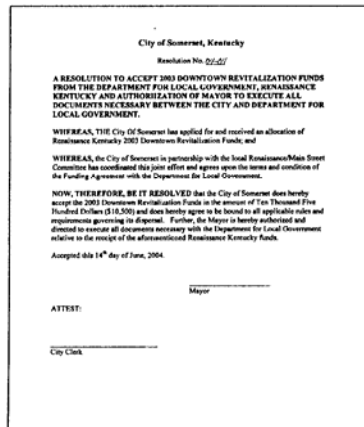
City of Somerset		WATER/SEWER DEPARTMENT	
J. P. WILKS Mayor		CHARLES RAY DICK Manager	
BID RESULTS FY 2004 Water Treatment Chemicals			
Bidding	Unit	Amount	Notes
Liquid Aluminum Sulfate	Per Dry Ton	\$11.00	General Chemical
Liquid Caustic Soda 25%	Per Wet CWT	\$1.00	USARCHEMICAL
HPS	Per Wet Ton	\$145.00	Bent County Budgetary Control
Chlorine	Per Wet CWT	\$23.00	Bent County Budgetary Control
Powdered Activated Carbon	Per CWT	\$42.00	USARCHEMICAL
Propagate	Per Pound	\$1.45	STILFEN & SON

Mr. Burnett moved to refund the following amount paid on 2003 taxes: Mae Holt 307 Grande Ave., Somerset, KY in the amount of \$58.21 for a Homestead Exemption. 2003 taxes: Mohamed and Darby Radmanesh 107 Wildcat Drive Somerset, KY in the amount of \$58.21 for a Homestead Exemption. 2003 taxes: Zella Pauline Van Nostrand 106 Walker Lane, Somerset, KY in the amount of \$54.05 for a Homestead Exemption. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheelon, Mr. Beasley, and Mr. Girdler.

City of Somerset		City of Somerset	
J. P. WILKS Mayor		J. P. WILKS Mayor	
CHARLES RAY DICK Manager		CHARLES RAY DICK Manager	
June 3, 2004		June 3, 2004	
Somerset City Council City Hall 400 E. 3rd, Vinton Street Somerset, Kentucky 40385		Somerset City Council City Hall 400 E. 3rd, Vinton Street Somerset, Kentucky 40385	
Dear Councilmembers:		Dear Councilmembers:	
I am writing in behalf of <u>Mae Holt 307 Grande Ave., Somerset, KY</u> , who is requesting a refund on their previously paid 2003 City taxes. Mr. T. W. Todd, Property Valuation Administrator, has issued a credit for a <u>Homestead Exemption</u> in the amount of <u>\$58.21</u> . The amount of refund due is <u>\$58.21</u> . Thank you.		I am writing in behalf of <u>Mohamed & Darby Radmanesh 107 Wildcat Dr., Somerset, KY</u> who is requesting a refund on their previously paid 2003 City taxes. Mr. T. W. Todd, Property Valuation Administrator, has issued a credit for a <u>Homestead Exemption</u> in the amount of <u>\$58.21</u> . The amount of refund due is <u>\$58.21</u> . Thank you.	
Sincerely, David Gentry City Clerk		Sincerely, David Gentry City Clerk	
By: <u>Charles Ray Dick</u> Manager		By: <u>Charles Ray Dick</u> Manager	
By: <u>J. P. Wilks</u> Mayor		By: <u>J. P. Wilks</u> Mayor	
Bent County Budgetary Control 000000 000000 000000 000000		Bent County Budgetary Control 000000 000000 000000 000000	



Mr. New moved to approve the following resolution. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.



Mr. New moved to accept liability insurance from Kentucky League of Cities. Mr. Wheeldon seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.

KENTUCKY LEAGUE OF CITIES INSURANCE QUOTE

\$305,540.00 – Gen. Liab., Public Officials, Law, Auto, Property and Equipment
\$210,806. – Worker's Comp.
\$3,792.26 – Crime Bond

Neighbors requested that Clements Street from Crawford to Grand be closed off July 3, 2004 from 5:30pm to 10:00pm for a neighborhood block party. Mayor Wiles referred the request to Major Ron Swartz.

Mr. Minton moved to accept the bids for Auditing. With the winning bid being awarded to Randall D. Turpin, CPA, PLLC. Mr. Owens seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.


<p>WILSON & COMPANY, PSC Chartered Public Accountants</p> <p>401 East 9th Street, Suite 100 Somerset, Kentucky 40382</p> <p>Telephone: 502-326-1214 Facsimile: 502-326-1246 E-mail: info@wilsoncompany.com</p> <p>June 7, 2004</p> <p>J.P. Wiles, Mayor City of Somerset P.O. Box 189 Somerset, Kentucky 40382</p> <p>Dear Mayor Wiles:</p> <p>The following is our proposal to audit the City of Somerset for the fiscal year ending June 30, 2004 and the three fiscal years ending June 30, 2004, 2005 and 2006.</p> <p>We believe that our past relationship with the City and our familiarity with its operations places us in a unique position to be of benefit to the City. We have a good understanding of the City's overall operations, personnel and policies. We know the City is currently improving its operational efficiency and accounting processes. We would like to be involved in the continued progress. The fee proposal includes the preparation of the "Three Collections From the Reporting on Audits of State, Local Governments, and Non-Profit Organizations" and the "City of Somerset Financial Information Report" and associated consultation.</p> <p>Our fee proposal for a single fiscal year is:</p> <table border="1"> <tr> <td>2004</td> <td>\$31,500</td> </tr> </table> <p>Our fee proposal for the three fiscal years is:</p> <table border="1"> <tr> <td>2004</td> <td>\$30,000</td> </tr> <tr> <td>2005</td> <td>\$11,000</td> </tr> <tr> <td>2006</td> <td>\$12,000</td> </tr> </table> <p>We understand and appreciate the desire to obtain competitive proposals for this important work. As you know, the implementation of GASB 34 and the expansion of the auditors' responsibilities have significantly increased the amount of time required to complete the audit. We have always been responsive to inquiries from City of Somerset administrators, personnel, and without delay or additional charges. Although it is prudent to consider cost when selecting your audit firm, we caution against a decision based solely on estimated audit cost.</p> <p>Sincerely, John Wiles, Mayor</p>	2004	\$31,500	2004	\$30,000	2005	\$11,000	2006	\$12,000	<p>J.P. Wiles, Mayor Member of the City Council May 25, 2004 Page 1</p> <p>We would appreciate the opportunity to continue our relationship with the City of Somerset and welcome any questions you may have.</p> <p>Very truly yours, WILSON & COMPANY, PSC</p> <p><i>John Wiles</i> John Wiles</p>																																															
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<p>Randall D. Turpin, CPA, PLLC 401 East 9th Street, Suite 100 Somerset, Kentucky 40382</p> <p>Phone: 502-476-3801 Fax: 502-476-3801 Email: rdt@rdturpin.com</p> <p>June 8, 2004</p> <p>J.P. Wiles, Mayor Member of the City Council City of Somerset P.O. Box 189 Somerset, Kentucky 40382</p> <p>Dear Mayor Wiles:</p> <p>The following is my audit fee proposal for the fiscal year ending June 30, 2004. My firm is licensed to practice public accounting in the state of Kentucky and is licensed in an approved practice monitoring program of the AICPA.</p> <p>a. Understanding of the work to be completed</p> <p>The scope of the work will include the audit of the City's financial statements, including GASB Circular A-13 (the Single Audit Act). This audit will be performed in accordance with generally accepted auditing standards, Government Auditing Standards and GASB Circular A-13. All receipts and disbursements of internal funds and disbursements, as required by auditing standards and GASB Circular A-13 will be performed. The audit process will also include completion of the Three Collections From the Reporting on Audits of State, Local Governments, and Non-Profit Organizations and the City of Somerset Financial Information Report (FIR) as required by GASB Circular A-13 and the completion of the auditors' Financial Information Report (FIR) as required by the Department for Local Governments.</p> <p>b. Professional opinion</p> <p>Randall D. Turpin - Certified Public Accountant with twelve years experience in all phases of audit of municipalities and other government agencies, including GASB Circular A-13 audits. Graduate of University of Kentucky with Master's Degree and Bachelor's Degree in Accounting.</p> <p>c. I understand that the deadline for submission of the completed audit is September 30, 2004.</p> <p>d. Preliminary work to be done</p> <p>A staff of internal control will be undertaken prior to audit fieldwork to determine the extent of reliance which can be placed on the entity's internal controls and to determine the best method of audit execution. This staff review involves staff of City staff as well as review of internal records. Also, before June 30, the City accounting staff will need to provide me with a listing of bank accounts (including cash accounts, deposits, money market, general fund and including generating cashflow statements) and their understanding. At least ten days prior to fieldwork, I would need to be provided with a working list of bank accounts, their primary or secondary accounts and a description of each account to be included in the audit balance to subsequently plan for fieldwork.</p>	<p>J.P. Wiles, Mayor Member of the City Council May 25, 2004 Page 1</p> <p>a. My audit fee proposal for the fiscal year ending June 30, 2004 and 1 year bid for the fiscal years ending June 30, 2005, June 30, 2006, and June 30, 2007 is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td>\$ 4,000</td> <td>\$ 4,000</td> <td>\$ 4,000</td> <td>\$ 4,000</td> </tr> <tr> <td>Water Department</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Sanitation Department</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>City of Somerset</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Public Works Department</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>City of Somerset</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Water Park</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Emergency Medical Services Department</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Emergency Medical Services Department</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> <td>4,000</td> </tr> <tr> <td>Total fee</td> <td>\$32,000</td> <td>\$32,000</td> <td>\$32,000</td> <td>\$32,000</td> </tr> </tbody> </table> <p>*Operations during the year</p> <p><i>John Wiles</i> John Wiles</p>		2004	2005	2006	2007	General Fund	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	Water Department	4,000	4,000	4,000	4,000	Sanitation Department	4,000	4,000	4,000	4,000	City of Somerset	4,000	4,000	4,000	4,000	Public Works Department	4,000	4,000	4,000	4,000	City of Somerset	4,000	4,000	4,000	4,000	Water Park	4,000	4,000	4,000	4,000	Emergency Medical Services Department	4,000	4,000	4,000	4,000	Emergency Medical Services Department	4,000	4,000	4,000	4,000	Total fee	\$32,000	\$32,000	\$32,000	\$32,000
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Mr. Burnett moved to approve the lease of the City of Somerset parking lot located next to the Lake Cumberland Community Action Agency (Senior Citizens Center) to the center. Mr. Floyd seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, and Mr. Girdler.

<p align="center">COMMERCIAL LEASE</p> <p>This instrument of lease is made and entered in Somerset, Kentucky, by and between the City of Somerset (hereinafter referred to as "Lessor"), and Lake Cumberland Community Action Agency (hereinafter referred to as "Lessee").</p> <p>1. PREMISES AND USE. Lessor does hereby let and lease unto Lessee the following described premises to wit:</p> <p>Beginning at an iron pin and cap (stamped Burgh LS 3167) found at a corner common to Lake Cumberland Community Services deed book 684 page 409 in the City of Somerset deed book 657 page 175; thence a new line severing deed book 657 page 175 South 46 degrees 33 minutes 48 seconds East parallel with and 30 ft. west of the southwestern fence line of the city tennis court a distance of 125.78 ft. to a survey monument (five eighth diameter rebar with cap stamped RAMMERS PLUS #193) being typical of all monuments on this survey) set in an extension of the southwestern fence line of the tennis court; thence South 28 degrees 18 minutes 10 seconds East (over a 3/8" iron) 35.32 ft. to a one-half inch diameter rebar found set near the toe of the slope common to Riley's Lakeview Service deed book 361 page 332 and the City of Somerset commissioners deed book 11 page 665; thence with the common line between the City's deed book 657 page 175 and commissioners deed book 11 page 665 North 89 degrees 10 minutes 21 seconds West 199.51 ft. to a survey monument set; thence severing commissioners deed book 11 page 665 South 76 degrees 46 minutes 29 seconds West (passing a witness monument set in the east edge of the black top of the First Baptist Church at 129.32 ft.) a distance of 135.07 ft. to a point in the backstop parking area; thence with the First Baptist Church deed book 367 page 368 North 16 degrees 30 minutes 30 seconds (meeting approximately four and one-half feet west of the edge of the pavement with a survey by K and C Associates (the Plat is unrecorded but was furnished to me by the City Official) 58 ft. to a metal T post found set in a 6 ft. area; thence continuing with the Church and the City of Somerset deed book 657 page 175 South 72 degrees 56 minutes 29 seconds West 18.85 ft. to a survey monument set; thence severing the City's deed book 657 page 175 North 22 degrees 08 minutes 11 seconds West (passing behind the YMCA building) a distance of 81.13 ft. to a survey monument set in the south line of the Lake Cumberland Community Services Inc. deed book 684 page 409; thence with said line (along the north side of a 5 ft. wide ingress egress easement for maintenance as recorded in the plat column C Slide 783) North 76 degrees 56 minutes 59 seconds East a distance of 238.23 ft. to the point of beginning containing 0.788 ACRES +/- as surveyed and platted in</p>	<p>April 2004 by Richard Alan Montgomery Kentucky Licensed professional land surveyor #1933 and Kentucky registered professional engineer #12024. A true copy of said Plat is recorded in plat column Slide No. office of the Clerk of Pulaski County at Somerset Kentucky as a binding part of this instrument as if attached hereto.</p> <p>The use of the premises shall be solely for a playground and a parking lot, unless otherwise agreed to by Lessee. Lessee shall comply with all present and future laws or ordinances applicable to the leased premises and shall not convert or alter or vary on the premises, or use or permit anything on the premises which may be illegal, or constitute a public or private nuisance.</p> <p>2. ORIGINAL TERM. The original term of the lease shall be for a term of 99 years commencing on June 1, 2004 through June 1, 2103.</p> <p>3. RENT.</p> <p>(A) Lessee agrees to pay for the rental of the leased premises an annual rent of \$1.00. The Lessee shall pay this annual rent between January 1st and January 10th of each year during the term of this lease.</p> <p>(B) All rental payments shall be made to Lessee at Somerset City Hall or Mayor's Office 400 East 1st, Somerset, KY 42501.</p> <p>4. TAXES. The Lessee shall pay all real estate taxes and assessments levied against the premises, including all improvements, additions, or alterations thereto that become the property of the Lessee.</p> <p>5. INSURANCE. Lessee shall at all times subsequent to the commencement date of the lease and during its full term, maintain liability insurance on the leased premises.</p> <p>6. RELEASE AND ASSIGNMENT. Lessee, for themselves, their successors, and assigns, expressly covenants that they shall not assign this lease nor sublease the leased premises without the express written consent of the Lessor in each instance.</p> <p>7. MAINTENANCE. The maintenance of the leased premises will be negotiable.</p> <p>8. ALTERATIONS AND REPAIRS. The Lessee shall have the right to make such additions, alterations, and improvements to the leased premises as it deems necessary or desirable. Any alteration, addition, or improvement made by the Lessee, and any fixture installed as part thereof, shall at the Lessee's option become the property of the Lessor upon the expiration or other sooner termination of this lease.</p> <p>9. PARKING LOT. Lessee shall construct a parking lot on a portion of the above described premises. Lessee will assume all expense and responsibility in constructing the parking lot, as approved by the Department of Health and Human Services, extended grant number 1 C76 HF00112-01. All construction shall be approved by Lessee.</p> <p align="center">2</p>
<p>(Executive Director or his designee). Any changes that may take place in the construction of the parking lot must be approved in writing by the Lessee prior to execution.</p> <p>10. SURRENDER OF PREMISES. Lessee shall upon the termination of this lease by lapse of time or otherwise, surrender up and deliver the premises together with all improvements made thereon by the Lessee.</p> <p>11. NOTICES. All notices, demands, and requests which may or are required to be given by either party to the other shall be in writing. All such notices, demands, and requests by Lessor to Lessee shall be sent to Lessee at the demand premises or at such other place that Lessee may from time to time designate in writing. All such demands, notices, and requests by Lessee to Lessor shall be sent to the address above written.</p> <p>12. DAMAGE AND DESTRUCTION. In the event, the premises are damaged and are thereby rendered destroyed, in whole or in part, it is agreed that Lessee may declare this Lease Agreement terminated without further obligation or payment.</p> <p>13. BENEFIT. The terms, conditions, and provisions of this lease shall inure to and be binding upon Lessor and Lessee and their respective heirs, executors, administrators, successors, and assigns.</p> <p>14. TIME OF ESSENCE. Time shall be deemed of the essence in all matters pertaining to this lease.</p> <p>15. ENTIRE AGREEMENT. This Lease constitutes the entire agreement between Lessor and Lessee, and no prior agreement or understanding shall be effective with respect to the subject matter hereof. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto. In witness whereof, the parties have affixed their signature hereto as of the date and year above written.</p> <p>16. NOTICE OF FEDERAL INTEREST. On October 10, 2003, the Department of Health and Human Services awarded grant number 1 C76 HF00112-01 to Lake Cumberland Community Action Agency. The grant provided Federal funds for the construction of a parking lot on the above described premises, which is located in Pulaski County, State of Kentucky.</p> <p>The grant incorporated conditions which include restrictions on usage of the aforementioned property and provided for a continuing Federal interest in the property from the date of occupancy.</p> <p>Specifically, the property may not be: (1) used for any purpose inconsistent with that authorized by Public Law 106-113, (2) mortgaged or otherwise used as collateral without the written permission of the Secretary, DHHS (DHHS), or (3) sold or transferred to another party without written permission of the Secretary, DHHS (or employee who has the authority to give this permission of the Secretary, DHHS). These conditions are</p>	<p>In accordance with Part 140 of the PHS Grants Administration Manual and PHS Grants Policy.</p> <p>These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be given to the Secretary, DHHS.</p> <p align="right"> HON. J.P. WILES MAYOR OF SOMERSET LESSOR </p> <p align="right"> BRUCE B. BROWN EXECUTIVE DIRECTOR LESSEE/GRAZTEE </p> <p>STATE OF KENTUCKY: COUNTY OF PULASKI: SS</p> <p>On the _____ day of _____, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce B. Brown, Executive Director, of Lake Cumberland Community Action Agency, personally known to me on the basis of satisfactory evidence to the individual, whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.</p> <p align="right"> NOTARY PUBLIC My Commission Expires: _____ </p> <p align="center">4</p>

There being no further business the meeting was adjourned.

APPROVED  MAYOR

ATTEST:  CITY CLERK