

MINUTES OF MEETING HELD MAY 08, 2006

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, May 08, 2006 at 7:00 p.m. with the following present: Mayor JP Wiles. Council Members: Jerry Girdler, Charlie New, Donna Hunley, John Minton, Jim Mitchell, Fonda Crawford, Jerry Burnett, Tim Rutherford, Joann Norfleet, Clarence Floyd, Jerry Wheeldon, and Mark Beasley. City Attorney Joe Travis and City Clerk David Godsey.

Mayor Wiles recognized Keith Davidson, Executive Vice President from NewWave Cable Communications. Mr. Davidson answered questions from Council Members.

Mrs. Norfleet moved to approve a resolution approving the transfer of the cable franchise from Falcon Community Cable, L.P. to NewWave Communications. Mr. Floyd seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

<p>RESOLUTION NO. _____</p> <p>RESOLUTION OF THE CITY OF SOMERSET</p> <p>APPROVING THE TRANSFER OF THE CABLE FRANCHISE</p> <p>WHEREAS, Falcon Community Cable, L.P. ("Franchisee") owns, operates and maintains a cable television system (the "System") in the City of Somerset, KY ("Franchise Authority") pursuant to a franchise agreement (the "Franchise") between Franchisee and the Franchise Authority and Franchisee is the duly authorized holder of the Franchise granted by the Franchise Authority; and</p> <p>WHEREAS, Telecommunications Management, LLC, a Missouri limited liability company, doing business as NewWave Communications ("Buyer"), has entered into an Asset Purchase Agreement with Franchisee (the "Agreement"), pursuant to which the System and the Franchise will be transferred (the "Transfer") to Buyer; and</p> <p>WHEREAS, Franchisee and Buyer have requested that the Franchise Authority consent to the Transfer in accordance with the requirements of the Franchise to the extent that such consent is required and have filed an FCC Form 394 with the Franchise Authority, and have provided all information required by applicable law (collectively, the "Transfer Application"), and</p> <p>WHEREAS, Franchisee has requested that the term of the Franchise be extended for a period of 36 months following the date of the closing of the Transfer (the "Closing Date"); and</p> <p>WHEREAS, the Franchise Authority has reviewed the Transfer Application, examined the legal, technical and financial qualifications of Buyer and finds it to be a suitable transferee.</p> <p>NOW THEREFORE, BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:</p> <p>SECTION 1. The Franchise Authority hereby consents to the Transfer, to the extent required by the terms of the Franchise and applicable law.</p> <p>SECTION 2. The Franchise Authority confirms that (a) the Franchise is validly existing and is currently in full force and effect and the Franchisee is the duly authorized holder of the Franchise; (b) the Franchisee has properly invoked its franchise renewal rights under Section 626 of the Cable Communications Policy Act of 1984, as amended; (c) the Franchise represents the entire understanding of the parties and the Franchisee has no obligations to the Franchise Authority other than those specifically stated in the Franchise; and (d) the Franchisee is materially in compliance with the provisions of the Franchise and applicable law and there exists no fact or circumstance known to the Franchise Authority which constitutes or which, with the passage of time or the giving of notice or both, would constitute a material default or breach under the Franchise or applicable law or would allow the Franchise Authority to cancel or terminate the Franchisee's rights thereunder.</p>	<p>SECTION 3. The Franchise Authority hereby consents to and approves the assignment, mortgage, pledge or other encumbrance, if any, of the Franchise, System or assets relating thereto, or of the interests in the permitted holder thereof, as collateral for a loan.</p> <p>SECTION 4. The Franchise Authority hereby extends the term of the Franchise for a period of 36 months following the Closing Date;</p> <p>SECTION 5. This Resolution shall be deemed effective for purpose of the Transfer immediately prior to the Closing Date.</p> <p>SECTION 6. The Franchise Authority releases the Franchisee, effective upon the Closing Date, from all obligations and liabilities under the Franchise and applicable law that accrue on and after the Closing Date; provided that Buyer shall be responsible for any obligations and liabilities under the Franchise and applicable law that accrue on and after the Closing Date.</p> <p>SECTION 7. This Resolution shall have the force of a continuing agreement with the Franchisee and Buyer, and the Franchise Authority shall not amend or otherwise alter this Resolution without the consent of Franchisee and Buyer.</p> <p>PASSED, ADOPTED AND APPROVED this _____ day of _____, 2006.</p> <p>City of Somerset</p> <p>By: <i>JP Wiles</i> Name: <i>JP Wiles</i> Title: <i>Mayor</i></p> <p>ATTEST:</p> <p>Clerk</p>
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Joel Zimmer spoke regarding a 5K "Cool Run" to be held June 24, 2006 prior to the Somernites Cruise. Mr. Zimmerman will talk with the Police department about possibly providing a safety barricade for the event.

Mr. Beasley moved to approve a lease agreement with Lake Cumberland Cal Ripkin League, Inc. (LCCR) for property located adjacent to the Water Park at 1500, 1600, and 1700 Hwy 27 for a term of ninety-nine (99) years. The property will be used for recreational baseball league games. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

<p style="text-align: center;">LEASE AGREEMENT</p> <p>THIS LEASE AGREEMENT is made and entered into this the _____ day of _____, _____ and effective on the _____ day of _____, _____ by and between the CITY OF SOMERSET hereinafter referred to as "the City", and SOMERSET LITTLE LEAGUE, INC. d/b/a LAKE CUMBERLAND CAL RIPKEN LEAGUE (hereinafter referred to as "LCCR").</p> <p style="text-align: center;">WITNESSETH:</p> <p>WHEREAS, the CITY is now the owner of certain real property located in the City of Somerset, Pulaski County, Kentucky, which is located at 1500, 1600, and 1700 US HWY 27, as the same is described in a Deed of Conveyance dated April 7, 2005 between WARD CORRELL, et al., Grantors, and the CITY, Grantee. This real property is also described in an Amended Deed of Conveyance dated _____, _____ between WARD CORRELL, et al., Grantors, and the CITY, Grantee. Each of these deeds is recorded in the Pulaski County Clerk's Office;</p> <p>WHEREAS, the specific parcels of property that are the subject of this lease (hereinafter collectively referred to as "Leased Premises") are a part of the larger park property. The Leased Premises are outlined in Exhibit A, attached hereto. In Exhibit A, the Leased Premises are denoted as "Lake Cumberland Cal Ripken Lease Area". The official name of the Leased Premises shall be the "Ward Correll Sports Complex".</p> <p>WHEREAS, the Deed of Conveyance and Amended Deed of Conveyance between WARD CORRELL, et al., Grantors, and the CITY, Grantee, contain the following RESERVATION AND EASEMENT: "the Grantors do hereby reserve a portion of the above-described property having the dimensions of 12 feet by 12 feet with a ten foot wide easement on</p>	<p>to and over the above described property for purposes of ingress, regress and egress to install, maintain and/or replace any American historical display, structure, inspiration emblems, flags and/or documents."</p> <p>WHEREAS, said RESERVATION AND EASEMENT shall not be considered a part of the Leased Premises, and this Lease Agreement shall be subject to the conditions contained in the Deed of Conveyance and Amended Deed of Conveyance between WARD CORRELL, et al., Grantors, and the CITY, Grantee.</p> <p>WHEREAS, LCCR is a non-profit organization that desires to use the Leased Premises as a site for its recreational baseball league games;</p> <p>WHEREAS, the parties, hereinabove named, do desire to enter into a Lease Agreement and desire to more specifically set out the terms of said Lease Agreement; and,</p> <p>NOW, WHEREFORE, in consideration of one dollar (\$1.00) and other good and valuable consideration, and further, in consideration of the mutual terms and conditions contained herein, the parties do hereby agree as follows:</p> <p>I. LEASE TERM</p> <p>This Lease Agreement shall be in full force and effect beginning on the effective date hereof and continuing for a term of ninety-nine years, automatically renewed for successive one year terms for the duration of the useful life of the Leased Premises.</p> <p>II. UTILITIES</p> <p>LCCR agrees to pay or cause to be paid all charges for gas, electric, light, heat, or power, telephone and other communication services are used, rendered, or supplied upon or in connection with the Leased Premises throughout the term of this Agreement and any extension thereof, and to indemnify the City and save it harmless against any liability or damages on such</p>
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<p>account. LCCR will further provide all reasonable upkeep, repair and maintenance upon the baseball fields at LCCR's expense during the term of this Agreement.</p> <p>III. FACILITIES</p> <p>A. LCCR shall keep the Leased Premises in a clean and orderly condition and shall not commit or suffer any waste or damage to the Leased Premises or improvements thereon other than normal wear and tear.</p> <p>B. LCCR shall make no structural alterations or improvements to the Leased Premises without first obtaining approval from the Commission of the City based upon written plans and specifications submitted thereto. Any alterations and additions LCCR may make to the Leased Premises shall be at its cost and in accordance with all applicable laws and regulations, and LCCR shall indemnify the City against all expenses, liens, claims or damages arising out of or resulting from such alterations. All permanent alterations or additions shall remain after termination of this agreement for the benefit of the City.</p> <p>C. LCCR shall use and occupy the Leased Premises and conduct its recreational baseball league in a careful, safe and proper manner in conformity and compliance with all applicable statutes, ordinances, regulations and directions of the proper public authorities with respect to the use of the Leased Premises.</p> <p>D. The City agrees that LCCR, having performed all obligations under this Lease Agreement, shall quietly hold and occupy the Leased Premises during the term of this Agreement and subject to any restrictions herein.</p> <p>F. The City, or their duly authorized representative, upon notice, shall have the right at all reasonable times to enter upon and inspect the Leased Premises to ascertain that the provisions of the Lease Agreement are being carried out.</p>	<p>G. LCCR shall be entitled to use of the parking lot adjacent to the Leased Premises for the purpose of parking for all of its league participants, including, but not limited to, players, fans, coaches, umpires, and all other LCCR staff.</p> <p>IV. INDEMNIFICATION/HOLD HARMLESS</p> <p>LCCR shall indemnify and hold harmless the City, and all of the City's agencies, commissioners, mayor, officers, agents and employees from all suits, actions or claims of any character because of any injury or damage received by any person, persons or property resulting from or arising out of LCCR's use and occupation of the Leased Premises and shall fully defend the City from the same.</p> <p>V. ASSIGNMENT</p> <p>This Lease Agreement shall not in any way be assigned, sublet or transferred in whole or in part without the previous written consent of the City, and then subject to any condition as the City may impose; and any violation of this consent provision shall result in the forfeiture of LCCR's right of occupancy and use of the Leased Premises. At such time, it would be at the discretion of the City for future use of the baseball fields. Further, LCCR shall not in any way encumber, pledge or mortgage the Leased Premises in whole or in part.</p> <p>VI. INSURANCE</p> <p>LCCR shall at its cost and expense, and for the mutual benefit of both parties, maintain general public liability insurance and property damage against claims for bodily injury or death occurring upon, in and about the Leased Premises in a sum not less than _____ for bodily injury and/or death in respect to any one incident. The policy shall name both parties as insured and shall provide that the insurer may not cancel or change the insurance coverage</p>
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<p>without notice to the City. LCCR shall provide the City with a Certificate of Insurance showing compliance with the provisions contained herein.</p> <p>VII. ENTIRE AGREEMENT</p> <p>This writing includes the entire written agreement between the parties hereto and shall not be altered or amended except by subsequent written agreement signed by all parties hereto.</p> <p>VIII. CHOICE OF LAW</p> <p>This Lease Agreement shall be governed by and construed under and in accordance with the laws of the Commonwealth of Kentucky.</p> <p>IX. NOTICES</p> <p>Any notices required to be given herein shall be in writing and shall be given by mailing such notice by certified mail addressed to the other party at the address as follows:</p> <p>To the City: J.P. Wiles, Mayor P.O. Box 989 Somerset, KY 42502</p> <p>To LCCR: Steve Merrick P.O. Box 1355 Somerset, KY 42502</p> <p>GIVEN UNDER THEIR HANDS on this the _____ day of _____, 2006.</p>	<p>CITY OF SOMERSET:</p> <p>J.P. WILES, MAYOR</p> <p>STATE OF KENTUCKY COUNTY OF _____...SCT</p> <p>The foregoing Lease Agreement was this the _____ day of _____, 2006, subscribed, signed, acknowledged and sworn to before me by J.P. WILES.</p> <p>NOTARY PUBLIC</p> <p>My Commission Expires: _____</p> <p>SOMERSET LITTLE LEAGUE, INC. d/b/a LAKE CUMBERLAND CAL RIPKEN LEAGUE:</p> <p>STEVE MERRICK, PRESIDENT</p> <p>STATE OF KENTUCKY COUNTY OF _____...SCT</p> <p>The foregoing Lease Agreement was this the _____ day of _____, 2006, subscribed, signed, acknowledged and sworn to before me by STEVE MERRICK.</p> <p>NOTARY PUBLIC</p> <p>My Commission Expires: _____</p>
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Mr. Beasley moved to approve a lease agreement with Rural Transit Enterprises Coordinated, Inc. (RTEC) for property located adjacent to the Water Park located at 1500, 1600, and 1700 Hwy 27 for a term of ninety-nine (99) years. The property will be used for a passenger waiting and transfer center, driver's space and vehicle parking. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

<p>LEASE AGREEMENT</p> <p>This Lease Agreement, made and entered into this _____ day of _____, and effective on the _____ day of _____, by and between the City of Somerset, Kentucky, a political subdivision of the State of Kentucky, herein referred to as "City"; and Rural Transit Enterprises Coordinated, Inc., a non-profit corporation, organized and existing under the laws of the Commonwealth of Kentucky, hereinafter referred to as "RTEC".</p> <p>WITNESSETH:</p> <p>WHEREAS, Section 5309 of the Federal Transit 44 Act, as amended, authorized funds to carry out public transportation in urbanized and non-urbanized areas;</p> <p>WHEREAS, the Commonwealth of Kentucky, in accordance with a request by the United States Department Of Transportation/Federal Transit Authority (hereinafter referred to as "FTA"), has designated the Kentucky Transportation Cabinet (hereinafter referred to as "KYTC") to evaluate and select projects proposed by public entities and/or non-private non-profit organizations and to coordinate the grant applications;</p> <p>WHEREAS, RTEC is a non-profit community transit system that has, since 1989, provided safe, dependable and affordable transportation for residents of Bell, Clinton, Cumberland, Knox, Laurel, McCreary, Monroe, Pulaski, Rockcastle, Russell, Wayne and Whitley Counties in Eastern Kentucky, through the use of funds provided for and authorized by Sections 5309,5310 and 5311 of the Federal Transportation Act; and has through the years provided public transportation services for the general public, including services for the elderly and persons with disabilities;</p>	<p>WHEREAS, RTEC has executed and filed with the Transportation Cabinet, a Section 5309/5310/5311 Grant Application (hereinafter referred to as "Application"); the contents of which are incorporated herein by reference, according to State and Federally approved Program of Projects;</p> <p>WHEREAS, RTEC desires in accordance with its Application to provide a program of public transportation for the residents of a twelve county area, including the City of Somerset, Kentucky and Pulaski County, using community deviated transit routes and demand response in the City of Somerset; and finds that it is necessary to lease from the City certain property described herein for its passenger waiting and transfer center, driver's space and vehicle parking;</p> <p>WHEREAS, the CITY is now the owner of certain real property located in the City of Somerset, Pulaski County, Kentucky which is located at 1500, 1600, and 1700 US HWY 27, as the same is described in a Deed of Conveyance dated April 7, 2005 between WARD CORRELL, et al., Grantors, and the CITY, Grantee. This real property is also described in an Amended Deed of Conveyance dated _____, _____ between WARD CORRELL, et al., Grantors, and the CITY, Grantee. Each of these deeds is recorded in the Pulaski County Clerk's Office;</p> <p>WHEREAS, RTEC did submit to the Kentucky Transportation Cabinet Office of Transportation Delivery an application for funds to be used for the construction of a Intermodal Transportation Center and did construct an Intermodal Transportation Center adjoining the Somerset Water Park and Recreation Area located at US HWY 27 with CITY property and funds, Commonwealth of Kentucky funds and Federal funds received from federal agencies through RTEC pursuant to the Application described hereinabove;</p>
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<p>NOW, WHEREFORE, in consideration of one dollar (\$1.00) and other good and valuable consideration, and further, in consideration of the mutual terms and conditions contained herein, the parties do hereby agree as follows:</p> <p>I. ORGANIZATIONAL STATUS OF RTEC</p> <p>(A) RTEC shall at all times retain its corporate status under the laws of the Commonwealth of Kentucky as a non-profit corporation by virtue of Kentucky Revised Statutes, Chapter 273, and maintain its corporate purpose to develop, strengthen, implement and administer a system of coordinated and comprehensive transportation and other related services.</p> <p>(B) The governing body of RTEC shall be its Board of Directors. To insure adequate public oversight of RTEC's operations, its Board of Directors has appointed an executive director. The Board Membership is composed of representatives as defined by the Bylaws of the Corporation having an interest in providing general public transportation services.</p> <p>II. FACILITIES</p> <p>(A) RTEC during the term of this Lease Agreement shall have the exclusive right to use and occupy the Transit Waiting & Transfer Center, which is comprised of 11,70 square feet for use as Storage / Employee Lounge, Restrooms, and Public Restrooms, hereinafter collectively referred to as "Leased Premises", within the CITY OF SOMERSET INTERMODAL TRANSIT CENTER located at 1500, 1600, and 1700 US HWY 27. RTEC shall also be permitted the exclusive use of 26 parking spaces of the Intermodal Transit Center with limited use of additional parking spaces encompassing one-hundred percent of the parking premises.</p> <p>(B) RTEC shall use and occupy the Leased Premises in accordance with guidelines adopted now or in the future by the Kentucky Transportation Cabinet or the FTA or their successor agencies, and the provisions set forth in its Grant Application including, but not</p>	<p>limited to, providing safe, dependable and affordable transportation for the residents of Bell, Clinton, Cumberland, Knox, Laurel, McCreary, Monroe, Pulaski, Rockcastle, Russell, Wayne and Whitley Counties, with the use of Section 5311 operating funds and Section 5309/5310 capital funds; daily transportation of individuals to medical appointments, social programs, employment, and organizations in the 12-county geographical area; and jointly with the City of Somerset providing deviated-fixed community transit routes in the City of Somerset; providing assistance with local tourism transportation needs, and to further promote the economic growth and development of the entire area.</p> <p>(C) RTEC shall use and occupy the Leased Premises and conduct its transportation business in a careful, safe and proper manner in conformity and compliance with all applicable statutes, ordinances, regulations and directions of the proper public authorities with respect to the use of the Leased Premises and its transportation services.</p> <p>(D) RTEC shall keep the Leased Premises in a clean and orderly condition and shall not commit or suffer any waste or damage to the Leased Premises or improvements thereon other than normal wear and tear. All usage of the Leased Premises must be approved by KYTC/FTA prior to any such usage.</p> <p>(E) The City, KYTC/FTA or their duly authorized representative, upon notice, shall have the right at all reasonable times to enter upon and inspect the Leased Premises to ascertain that the provisions of the Lease Agreement are being carried out.</p> <p>(F) RTEC shall make no structural alterations or improvements to the Leased Premises without first obtaining approval from the Commission of the City based upon written plans and specifications submitted thereto. Any alterations and additions RTEC may make to the Leased Premises shall be at its cost and in accordance with all applicable laws and regulations, and</p>
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RTEC shall indemnify the City against all expenses, liens, claims or damages arising out of or resulting from such alterations. All permanent alterations or additions shall remain after termination of this agreement for the benefit of the City. Any usage other than original purpose must be approved by KYTC/FTA.

III. ASSIGNMENT

This Lease Agreement or any estate conveyed herein shall not in any way be assigned, sublet or transferred in whole or in part without the previous written consent of KYTC/FTA and the City, and then subject to any condition as the KYTC/FTA and City may impose; and any violation of this consent provision shall result in the forfeiture of RTEC's right of occupancy and use of the Leased Premises. At such time, it would be at the discretion of KYTC/FTA as to the future use of the building. Further, RTEC shall not in any way encumber, pledge or mortgage the Leased Premises in whole or in part.

IV. UTILITIES

RTEC agrees to pay or cause to be paid all charges for gas, electric, light, heat, or power, telephone and other communication services that are used, rendered, or supplied upon or in connection with the Leased Premises throughout the term of this Agreement and any extension thereof, and to indemnify the City and save it harmless against any liability or damages on such account.

V. INSURANCE

RTEC shall at its cost and expense, and for the mutual benefit of both parties, maintain general public liability and property damage insurance against claims for bodily injury or death occurring upon, in and about the Leased Premises in a sum not less than \$1,000,000 for bodily injury and/or death in respect to any one incident. The policy shall name both parties

as insured and shall provide that the insurer may not cancel or change the insurance coverage without notice to the City. RTEC shall provide the City with a Certificate of Insurance showing compliance with the provisions contained herein. Likewise, the City shall maintain general public liability and property damage insurance against claims for bodily injury or death occurring upon, in and about the transportation center parking lot in a sum not less than

\$1,000,000 for bodily injury and/or death in respect to any one incident. The policy shall name both parties as insured and shall provide that the insurer may not cancel or change the insurance coverage without notice to RTEC. The City shall provide RTEC with a Certificate of Insurance showing compliance with the provisions contained herein. RTEC shall be responsible for maintaining insurance coverage on the vehicles used for its transportation business.

VI. TERM

This Lease Agreement shall be in full force and effect beginning on the effective date hereof and continuing for a term of ninety-nine years, automatically renewed for successive one year terms for the duration of the useful life of the Leased Premises for so long as the Intermodal Transit Center is used pursuant to RTEC's Application described hereinabove and in compliance with the rules and regulations concerning the project as adopted by the Transportation Cabinet for the Commonwealth of Kentucky and/or the FTA and so long as RTEC is otherwise complying with its Application's stated purpose of providing safe, dependable and affordable public transportation, and otherwise with the terms and provisions herein. In the event of a termination hereunder, KYTC/FTA will follow federal guidelines to determine usage of the Center.

VII. REPORTING AND MONITORING

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RTEC shall maintain and comply with all reporting requirements outlined by the Commonwealth of Kentucky Transportation Cabinet and the Federal Transportation Authority. The recording and reporting of any purchases shall be in accordance with generally accepted accounting procedures. RTEC shall keep satisfactory records with regard to the use of the property, the transportation services it provides and its activities undertaken to satisfy the stated purposes and goals of its Grant Application and compliance with this Lease Agreement and submit to the City and/or Transportation Cabinet upon request such information as is required in order to assure compliance with applicable State and Federal rules, laws, and regulations and shall immediately notify the City and KYTC in all cases where the Leased Premises are used in a manner substantially different from that described in the project narrative of its Grant Application.

VIII. AUDIT AND INSPECTION

RTEC shall have an independent certified audit performed in accordance with OMB Circular A-133, Audits of State, Local Government and Non-profit Organizations. RTEC shall permit the Transportation Cabinet, the Controller General of the United States and the Secretary of the US DOT, City of Somerset or their authorized representative to inspect the Leased Premises and all relevant project data and records. RTEC will permit the above-named persons to review the audit and working papers or audit of the books and accounts of RTEC pertaining to the project within thirty (30) days upon request after completion of the audit.

IX. COMPLIANCE

RTEC agrees to comply with all the applicable portions of the Civil Rights Act of 1964; KRS 45.550 to KRS 45.640, with all applicable labor standards in 29 CFR Parts 1, 2 and 5.

X. INDEMNIFICATION/HOLD HARMLESS

RTEC shall indemnify and hold harmless the City and all of its agencies, commissioners, mayor, officers, agents and employees from all suits, actions or claims of any character because of any injury or damage received by any person, persons or property resulting from or arising out of RTEC's use and occupation of the Leased Premises and shall fully defend the City from the same.

XI. ENTIRE AGREEMENT

This Lease Agreement embodies the entire agreement between the parties hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect, except in writing executed in the same manner as this Lease Agreement by the parties hereto with the Transportation Cabinet's prior written approval.

XII. CHOICE OF LAW

This Lease Agreement shall be governed by and construed under and in accordance with the laws of the Commonwealth of Kentucky.

XIII. NOTICES

Any notices required to be given herein shall be in writing and shall be given by mailing such notice by certified mail addressed to the other party at the address as follows:

To the City: J. P. Wiles, Mayor
P.O. Box 989
Somerset, KY 42502

To RTEC: Shirley L. Cummins, Executive Director
RTEC, Inc.

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100 Main Street
Mt. Vernon, KY 40456

BY: Shirley L. Cummins, Executive Director

STATE OF KENTUCKY
COUNTY OF ROCKCASTLE
Subscribed and sworn to before me this _____ day of _____, 2006
by _____

Notary Public At Large
My Commission expires: _____

This instrument prepared by: _____

By: _____

Address: _____

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the day and year first above written.

CITY OF SOMERSET

ATTESTED:

J. P. Wiles, Mayor

City Clerk

STATE OF KENTUCKY
COUNTY OF PULASKI

Subscribed and sworn to before me this _____ day of _____, 2006
by _____

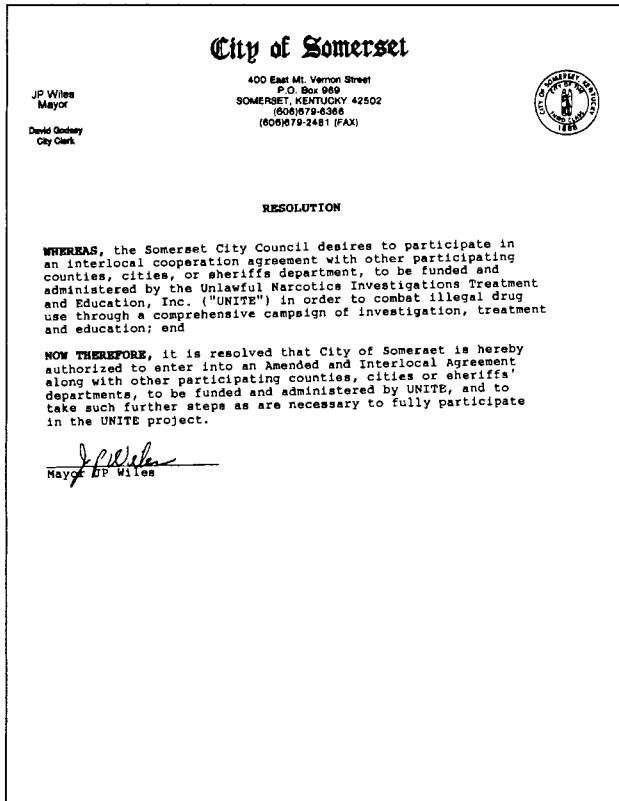
Notary Public At Large
My Commission expires: _____

RURAL TRANSIT ENTERPRISES
COORDINATED, INC. DBA (RTEC)

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Mrs. Crawford moved to approve the following resolution participating in an interlocal cooperation agreement with UNITE. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.



Mr. Rutherford moved to approve the minutes of the last regular meeting held on April 24, 2006 along with the reports to be approved as delivered. Mrs. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

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

Mrs. Crawford moved to approve the reappointment of Jim Ramsey, on the Board of Adjustments. The term expiring 4/30/10. Mr. Floyd seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

Mr. Wheeldon move to approve the following resolution adopting and approving the execution of a Municipal Road Aid Bond Fund Agreement. Mrs. Norfleet seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

<p style="margin: 0;">CITY OF SOMERSET</p> <p style="margin: 0;">ATTACHMENT TO AGREEMENT</p> <p style="margin: 0;">\$151,000 CC04 BOND FUND</p>
<p>1. TURNER STREET FROM: US 27 TO: 150 FEET FROM INTERSECTION A DISTANCE OF 0.028 MILE - DRAINAGE</p> <p>2. GRAND CENTRAL BLVD. FROM: US 27 TO: 850 FEET FROM INTERSECTION A DISTANCE OF 0.161 MILE - GRADE, DRAIN & HTS</p> <p>3. KIMBERLY DRIVE FROM: 2032 KIMBERLY DRIVE TO: 150 FEET WEST A DISTANCE OF 0.028 MILE</p> <p>4. ALEXANDER STREET FROM: KY 2292 TO: END OF STREET A DISTANCE OF 0.245 MILE</p> <p>5. BROWNING ROAD FROM: KY 1674 TO: END OF CITY LIMITS A DISTANCE OF 0.322 MILE</p>

Mr. Floyd moved to approve the following resolution adopting and approving the Municipal Aid Program (MAP) Cooperative Contract. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

<p style="text-align: center;"><u>RESOLUTION</u></p> <p>County of Pulaski</p> <p>Incorporated Area of Somerset</p> <p>Resolution adopting and approving the execution of a Municipal Aid Coop Program Contract between the Incorporated Areas and the Commonwealth of Kentucky, Transportation Cabinet, Department of Intergovernmental Programs for the fiscal year beginning July 1, 2006, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are a part of the Incorporated Areas.</p> <p>Be it resolved by the Legislative Body of the Incorporated Area that:</p> <p>The Legislative Body of the Incorporated Area does hereby accept all streets referred to in said Contract as being city streets which are a part of the Incorporated Area; and</p> <p>The Legislative Body of the Incorporated Area does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in said Contract and does hereby accept said Contract and by such acceptance agrees to all the terms and conditions therein stated; and</p>	<p>The Chief Executive Officer of the said Incorporated Area is hereby authorised and directed to sign said Contract as set forth on behalf of the Legislative Body of <u>Somerset</u>, <u>Pulaski</u> County, and the City Clerk of <u>Somerset</u> is hereby authorized and directed to certify thereto.</p> <p>The vote taken on said Resolution, the result being as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u>AYES</u></td> <td style="width: 50%; text-align: center;"><u>NAYS</u></td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </table> <p>COMMONWEALTH OF KENTUCKY SS: INCORPORATED AREA OF _____</p> <p>I, _____, City Clerk of _____ certify that the foregoing is a true copy of the Order above. Given under my hand and seal of office this the _____ day of _____, 2006.</p> <p>SIGNED _____ CLERK OF _____</p>	<u>AYES</u>	<u>NAYS</u>	_____	_____	_____	_____	_____	_____	_____	_____
<u>AYES</u>	<u>NAYS</u>										
_____	_____										
_____	_____										
_____	_____										
_____	_____										

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CONTRACT

THIS CONTRACT is made between the Commonwealth of Kentucky, Transportation Cabinet, Department of Intergovernmental Programs, and the Legislative Body of the Incorporated Area of Somerset, Pulaski County, Kentucky.

The initial apportionment to the Incorporated Area is 60% of its total allocation based on revenue estimates supplied by the Office of State Budget Director, less three (3) percent set aside for an emergency fund. For the Fiscal Year beginning July 1, 2006, this amount is one hundred six thousand six hundred eleven AND NO-ONE HUNDREDTHS DOLLARS---(\$ 106,611.00). This amount, when added to any subsequent apportionments and any unencumbered balance of prior apportionments to the said Incorporated Area will be expended by the Kentucky Department of Intergovernmental Programs to aid the Incorporated Area in the maintenance, reconstruction, or construction of city streets in said Incorporated Area.

The Legislative Body of the Incorporated Area hereby agrees and directs that their pro rata share of the Municipal Aid Fund, due monthly from the Finance Cabinet, be assigned to the Transportation Cabinet's Division of Accounts for Fiscal Year 2006-2007.

Unless specifically excluded within this Contract, all city streets are a part of this Contract. This includes all structures lying within the limits of the project.

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SPECIAL PROVISIONS

The Department of Intergovernmental Programs will reimburse the Incorporated Area of Somerset for materials, labor and equipment necessary for the Incorporated Area to accomplish maintenance, repairs and improvements on Incorporated Area streets. This assistance is extended insofar as funds are available from the Incorporated Area's share of the Municipal Aid Program allocation reflected by this Contract. The Incorporated Area will be responsible for all costs in excess of the Municipal Aid funds.

The Department of Intergovernmental Programs may assist the Incorporated Area in fulfilling its road maintenance, repairs, and improvement needs by the following methods

- (a) Disburse funds to the Incorporated Area for materials and work performed by contract.
- (b) Disburse funds to the Incorporated Area for materials obtained by contract.
- (c) Disburse funds to the Incorporated Area for rental or purchase of road maintenance and construction equipment. Rental rates shall be based on current edition of the "Blue Book for Rental of Equipment" or the Transportation Cabinet's official rental rates.

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(d) Disburse funds to the Incorporated Area for the hourly rate for personnel who perform the work. This rate may include employee fringe benefits such as leave overlay, retirement, social security, insurance, etc.

GENERAL PROVISIONS

The Chief Executive Officer of the Legislative Body of Incorporated Areas stipulates and hereby certifies that all Municipal Aid funds will be expended within the right-of-way limits of city streets and their appurtenances. This Contract does not relieve Governing Body of its responsibility for city streets and bridges.

The Legislative Body will acquire any rights-of-way contemplated under this Contract. The Legislative Body also assumes responsibility for any claims for damages arising from such acquisitions.

The Legislative Body will hold harmless and save the Commonwealth of Kentucky Transportation Cabinet and its officials and employees free from all claims or liability for damages of any nature whatsoever due to or arising from the performance of

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this Contract.

The Legislative Body will reimburse the Department of Intergovernmental Programs for any loss it may sustain arising out of performance of this Contract by the Department. Such loss as sustained by the Department of Intergovernmental Programs may be charged to this Incorporated Area's apportionment in this or future fiscal years.

Should any balance of the Incorporated Area's apportionment remain after performance of this Contract, such balance will remain to the credit of the Incorporated Area for performance of future Contracts by the Department of Intergovernmental Programs.

It is agreed that any materials purchased by the Department of Intergovernmental Programs and delivered to the Incorporated Area shall be used by the appropriate governmental agency only on city streets and bridges lying within the Incorporated Area.

The general administration of the program herein designated shall be under the jurisdiction of the Department of Intergovernmental Programs.

Should conditions arise which, in the judgment of the Commissioner of Intergovernmental Programs, render it burdensome

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to the general welfare of the Commonwealth to continue any work commenced under terms of this Contract, the Department may suspend or curtail such work.

It is further agreed between the parties hereto that all obligations incurred under this Contract are subject to any law or regulations now existing or hereafter enacted or promulgated. The Legislative Body acknowledges its total responsibility for city streets.

The Chief Executive Officer of the said Incorporated Area, and the Commissioner of Intergovernmental Programs, or their authorized representatives, insofar as their actions are in accord with the laws of the Commonwealth of Kentucky, shall act for their respective parties on all matters arising under this Contract.

The Department reserves the right to cancel this Contract at any time deemed to be in the best interest of the Department by giving thirty (30) days written notice of such cancellation to the Legislative Body. If the Contract is canceled under this provision, the Department shall reimburse the Legislative Body according to the terms hereof to the date of such cancellation.

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The Legislative Body will pass the attached resolution. A copy of that resolution shall be attached to and made a part of this Contract.

IN TESTIMONY WHEREOF, the parties hereto have caused these presents to be executed by their officers thereunto duly authorized.

Incorporated Area of Somerset, Pulaski County

BY: J. Wilk Date: 05-07-06
Chief Executive Officer

DEPARTMENT OF INTERGOVERNMENTAL PROGRAMS
OFFICE OF RURAL & SECONDARY ROADS

BY: Executive Director Date: _____

APPROVED AS TO FORM AND LEGALITY:

BY: Office of Legal Services Date: _____

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET

BY: Secretary Date: _____

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Mr. Wheeldon made a motion to go into executive session for possible land acquisition. Mr. Rutherford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

No action taken in executive session.

Mrs. Norfleet moved to approve a utility agreement with Kentucky Utilities for Hail Knob Road. Mr. Mitchell seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon and Mr. Beasley.

KU 17-8
Rev. 3/93

Utility Agreement

The undersigned, CITY OF SOMERSET

(hereinafter "Grantor")

of Pleasant, County, Kentucky, in consideration of \$1.00 and other

valuable consideration the receipt of which is hereby acknowledged, hereby grants to KENTUCKY UTILITIES COMPANY One Quality Street, Lexington, Kentucky 40507, its successors, assigns and lessees (hereinafter collectively called the "Company"), for a period of five years and such time thereafter as any electric facilities or any extensions thereof may be maintained over or under the lands hereinafter described, the right, power and privilege to construct, maintain, repair, replace, extend and repair such facilities and to do all acts necessary to the construction, maintenance, repair, replacement, extension and removal of such facilities, to and from poles or structures or buried with the electric facilities, and all appurtenances thereto, over, upon and under the right-of-way hereinafter described, together with the right of ingress and egress over the lands of the undersigned to and from said facilities in the exercise of the rights and privileges herein granted, provided, however, that in exercising such right of ingress and egress the Company will, whenever practicable to do so, use regularly established roads or pathways.

Grantor further grants and conveys to the Company the right to trim or remove any and all trees, structures and obstructions located upon the right-of-way or in such proximity thereto as to妨害 the right-of-way or in such proximity thereto as to妨害 the operation and maintenance of said facilities. Grantor further agrees that no building or other structure shall be erected, and no landfill or excavation or other change of grade shall be performed, upon the said right-of-way.

The lands belonging to the undersigned over which this easement and right-of-way are granted are situated in the County of Perry, State of Kentucky, and contain approximately 1.05 acres.

Specifically, HALF KNOB, Road about 8 miles from the town of CHAMBERS acres, which is the same property conveyed to CITY OF SOMERSET by Deed from LAWRENCE AND MARY ANN HARRISON, WIFE AND LAWRENCE HARRISON, JR. Deed recorded in Deed Book 1830, Day of 1870, Page 201, and recorded in Deed Book 42, Day of 1871, and recorded in Deed Book 1830, Day of 1870, Page 201, in the office of the Clerk of the County Court of Perry, Kentucky, to which reference is hereby specifically made for the description therein contained.

The specific right-of-way upon which said facilities are to be located is AB feet wide and the centerline thereof is described as follows:

Beginning at a point between the subject land herein noted and the land of Hall Coop Ed (existing power line) at Kentucky State Plane Coordinate (KSPC) #1913916, N2, E: 167.685, 57.706 South and running thence S 15° 46' 45" E to a point, thence S 20° 28' 58" E total distance of approximately 21.91 feet to a point, thence S 20° 28' 58" E total distance of approximately 155.85 feet to a point in the line between the subject land herein and the land of Wolf Creek Investments, LLC, at KSPC #1915835, S2, E: 167.684, 46.706 South.

SEE EXHIBIT "A"

The Company shall have only an easement and right-of-way on the lands of Grantor for the purposes herein specified. Grantor, their successors, heirs, assigns and lessees, shall continue to own and enjoy such lands and to use and occupy them for any purpose which will not interfere with the operation and management of the said facilities or with the exercise of any right or privilege herein granted to the Company.

It is further expressly understood and agreed that the Company will repair or otherwise be liable to Grantor for any and all damages that may be caused by the Company in going upon said lands, except that the Company will not be liable for any damage for cutting, trimming or removing trees, etc., in the manner and to the extent herein specified.

IN TESTIMONY WHEREOF, witness the signature(s) of Grantor (or duly authorized representative of Grantor) this 10 day of February, 2000.

Witnesses: _____ By: _____

Title: _____

Attest: _____

STATE OF _____

County of _____

I, _____ a Notary Public in and for the State and County aforesaid, certify that the foregoing instrument was acknowledged before me by _____

who executed and acknowledged before me the same to be his, her, their) free act and deed.

Witness my hand and seal this _____ day of _____, 20_____.

This instrument was prepared by

AMERICAN ENGINEERS, INC.

whose relation is _____

65 HERCULAN DR. GLENDALE, CA 91347

John Charles

Signed _____

For K.U. Co. Use Only

Project No. _____

Volume _____ Pages _____

Location of Facilities _____

K.U. Co. Agree

Notary Public: _____

My Commission Expires: _____

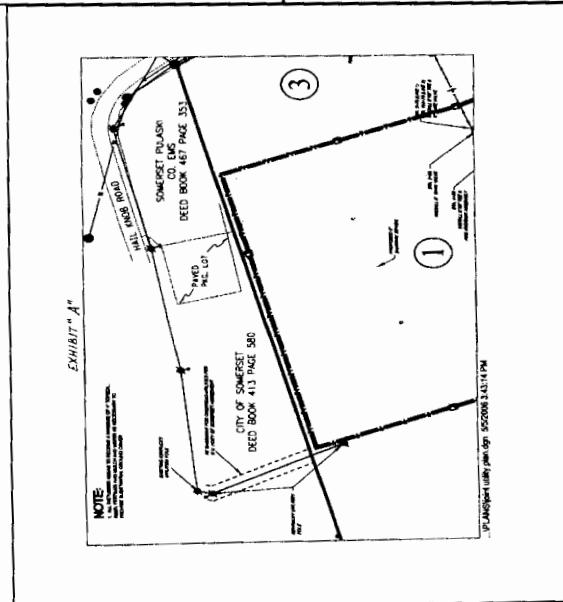
STATE OF KENTUCKY

County of _____ Sd. _____

I, _____ Clerk in and for the County and State aforesaid, certify that the foregoing was duly judged for record at _____ AM/PM when upon the same, with the foregoing and the certificate have been duly recorded in my office, in Deed Book _____, Page _____

Witness my hand this _____ day of _____, 20_____, Clerk

By: _____



There being no further business the meeting adjourned.

APPROVED _____

ATTEST: _____
CITY CLERK