

MINUTES OF MEETING HELD JULY 11, 2005

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, July 11, 2005 at 7:00 p.m. with the following present: Mayor JP Wiles. Council Members: Donna Hunley, John Minton, Jim Mitchell, Fonda Crawford, Jerry Burnett, Tim Rutherford, Joanne Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Jerry Girdler, and Charlie New. City Attorney Joe Travis and City Clerk David Godsey.

Mayor Wiles and all Council Members observed a moment of silence in remembrance of Shed Glass a former City Council Member. Mr. Floyd moved that this be made a part of the minutes. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, and Mr. New.

Mr. Wheeldon moved to approve the minutes of the last regular meeting held on June 27, 2005 and special called meetings on June 29, 2005 and June 30, 2005, along with the reports to be approved as delivered. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, and Mr. New.

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

Mr. New moved to send a letter of appreciation to Honorable Governor Ernie Fletcher for \$25,000.00 to repair Alexander Drive. Mr. Wheeldon seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, and Mr. New.

Mrs. Crawford moved to approve the Memorandum of Exchange and Letter of Estoppel presented by Carroll Estes, Executive Director of the Somerset-Pulaski County Development Foundation, Inc.. Mr. Beasley seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, and Mr. New.

**MEMORANDUM OF EXCHANGE AND
LETTER OF ESTOPPEL**

WHEREAS, the Somerset-Pulaski County Development Foundation, Inc. and the City of Somerset is desirous of acquiring land for the Southern Kentucky Inter-modal Park; and

WHEREAS, Crane Company, LLC either owns or has a significant capital leasehold interest (with option to purchase) in property desired by the Somerset-Pulaski County Development Foundation, Inc. and the City of Somerset; and

WHEREAS, certain development related loans are payable to the Somerset-Pulaski County Development Foundation, Inc. and the City of Somerset by Crane Company, LLC; and

WHEREAS, Crane Company, LLC intends to grant all its right title and interest in approximately 53 acres to the Somerset-Pulaski County Development Foundation, Inc. in exchange for the reduction of debt of \$520,427.00;

NOW THEREFORE, let it be known by all persons in the presence of these presents that in exchange for grant of interest in the above described real property to the Somerset-Pulaski County Development Foundation, Inc., the Somerset-Pulaski County Development Foundation, Inc. and the City of Somerset shall recognize complete payoff of a loan known as CRPL Loan Agreement - Loan # 10028, origination date of September 25, 1991, with an original balance of \$300,000.00 and a balance of \$114,474.25 on or about December 16, 2004, as paid in full by Crane Plumbing, LLC

In addition, the remaining consideration, \$405,952.75, shall be applied to a loan known as CRPL COBO Loan Agreement - Loan # 10037 (aka The Kfm Capital

Lease). Said loan has an effective date of February 20, 1990 and a beginning balance of \$875,000.00. As of December 16, 2004, the current balance of the loan was \$451,183.51 and the remaining balance after the credit herein shall be \$45,240.76. The remaining balance may be paid under the terms of the original agreement and the credit herein shall be treated as an advanced payment.

This memorandum shall become operative upon the execution, delivery, and filing of a fee simple general warranty deed by Crane Plumbing, LLC to the Somerset-Pulaski County Development Foundation, Inc. a copy of which shall be attached hereto.

Given under our hands this 11th day of July, 2005

City of Somerset

By: J. P. Wiles
Hon. J.P. Wiles, Mayor of the City of Somerset

Somerset-Pulaski County Development Foundation, Inc.

By: Carroll Estes
Carroll Estes, Jr. Executive Director

Mrs. Norfleet moved to send a letter of appreciation to Carroll Estes, Executive Director of Somerset Pulaski County Development Foundation, Tiger Robinson, Public Safety Officer, Shopville Fire Department, and Somerset Water Department for their help in keeping everything running smoothly during the recent major water break on Pumphouse Road. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, and Mr. New.

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

No action taken in Executive Session.

There being no further business the meeting adjourned.

APPROVED


MAYOR

ATTEST:


CITY CLERK