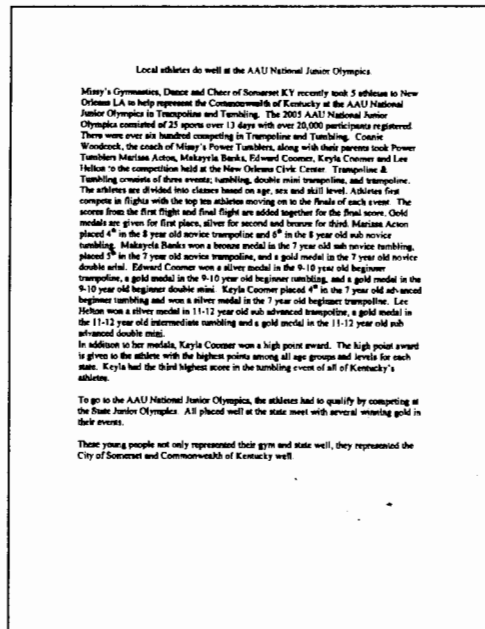


MINUTES OF MEETING HELD AUGUST 22, 2005

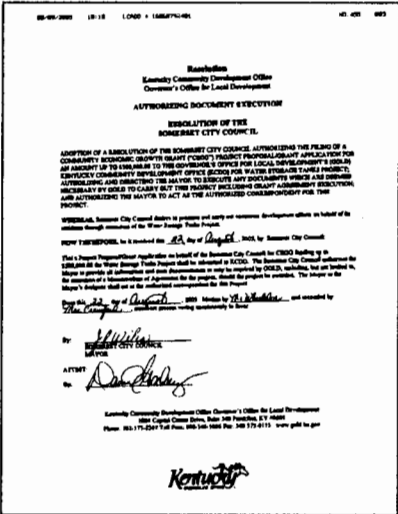
The Common Council of the City of Somerset, Kentucky met in regular session on Monday, August 22, 2005 at 7:00 p.m. with the following present: Mayor JP Wiles. Council Members: John Minton, Jim Mitchell, Fonda Crawford, Jerry Burnett, Tim Rutherford, Joanne Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Jerry Girdler, Charlie New, and Donna Hunley. City Attorney Dan Yeast and City Clerk David Godsey.

Mr. Beasley moved to include the recognition of Missy's Gymnastics, Dance and Cheer of Somerset in the official minutes for bringing home several awards from the AAU National Junior Olympics. These young people not only represented their gym and state well, they represented the City of Somerset and Commonwealth of Kentucky well. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, and Mrs. Hunley.



Mr. Beasley moved to approve the minutes of the last regular meeting held on August 8, 2005 and the reports to be approved as delivered. Mrs. Norfleet seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, and Mrs. Hunley.

Mr. Wheeldon moved to approve the following Resolution authorizing the filing of a Community Economic Growth Grant. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, and Mrs. Hunley.



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

RESOLUTION NO. 05-01

A RESOLUTION APPROVING A LEASE FOR THE FINANCING OF A PROJECT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; CREATING A SINKING FUND; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE.

WHEREAS, the governing body of the City of Somerset, Kentucky (the "Lessee") has the power, pursuant to Section 65.940 of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public purposes;

WHEREAS, the governing body of the Lessee (the "Overseeing Body") has previously determined, and hereby further determines, that the Lease is in the best interests of the Lessee as described;

WHEREAS, the Overseeing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Kentucky Arm Development District Planning Trust (the "Lessor") enter into a Lease Agreement (the "Lease") for the leasing by the Lessee from the Lessor of the Project;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY:

Section 1. **Recitals and Authorization.** The Lessee hereby approves the Lease Agreement (the "Lease") and all Collateral Documents, as defined in the Lease, each in substantially the form presented to this Overseeing Body. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes herein specified, and the execution and delivery of the Lease and all representations, certifications and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified and confirmed. The Mayor and City Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. **General Obligations.** Pursuant to the Constitution of the Commonwealth and Chapter 46 of the Kentucky Revised Statutes, as amended (the "General Obligation Statutes"), the obligation of the Lessee created by the Lease shall be a full general obligation of the Lessee and, for the prompt payment of the Lease Payments, the full faith, credit and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the Lease Payments on the Lease when and as due, it being hereby found and determined that current tax rates are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and collected upon the tax duplicate and collected by the meter officers in the same manner and at the same time that taxes for general purposes for such of said

years are certified, extended and collected. Said tax shall be placed before and in preference to all other taxes and for the full amount thereof; provided, however, that in each year to the extent that the other taxes of the Lessee are available for the payment of the Lease Payments and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated.

There is hereby established with the Lessee a sinking fund (the "Sinking Fund") to be maintained so long as the Lease shall remain outstanding. The funds derived from said tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds or obligations issued under the General Obligation Statutes and all Tax Supported Bonds, as defined in General Obligation Statutes, including the Lease herein authorized, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Lessor as the same and in the amounts required by the Lease. There is hereby further pledged to the payment of the Lease such rate revenues of the Lessee's combined water and sewer system as may be available after provision is made for payment of the costs of operation and maintenance of the water and sewer system and payment of debt service on other obligations of the Lessee secured by a first lien on the revenues of the system.

Section 3. **Investment of Funds.** Rom, Sinclair & Associates, Inc., as Program Administrator, is hereby authorized to direct the Trustee to invest funds on deposit under the Lease in such manner, subject to all legal restrictions, as well, in the Program Administrator's judgment, produce the most favorable financial result for the Lessee.

Section 4. **Severability.** If any Section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such Section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. **Resolving Lay.** This Overseeing Body hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Overseeing Body and that all deliberations of this governing body and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 6. **Conflicts.** All Resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and the provisions of this Resolution shall prevail and be given effect.

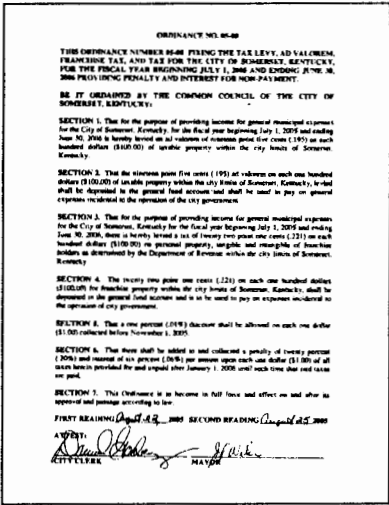
Section 7. **Effective Date.** This Resolution shall take effect from and after its passage, as provided by law.

INTRODUCED, SECONDED AND ADOPTED, at a duly convened meeting of the Overseeing Body, held on April 14, 2005, signed by the Mayor of the Lessee, attested by the City Clerk, filed and delivered as provided by law.

By: J. W. White Mayor

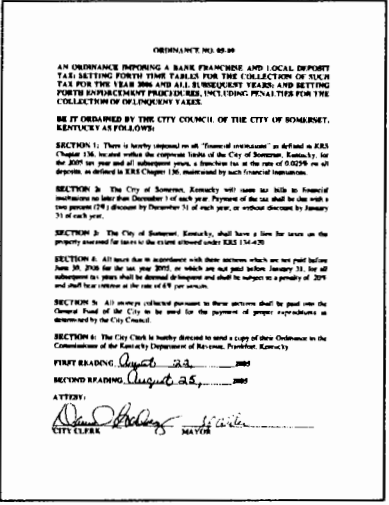
ATTEST: D. A. Girdler City Clerk

First reading was given the following Ordinance:



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

First reading was given the following Ordinance:



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

First reading was given the following Ordinance:

ORDINANCE NO. 08-10

AN ORDINANCE AMENDING ORDINANCE NO. 00-18, KNOWN AS THE ZONING ORDINANCE AND ALTERING THE ZONING MAP BY CHANGING A BOUNDARY OF LAND NOW ZONED R-1 TO R-2.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BONESTET, KENTUCKY:

That Ordinance No. 00-18, known as the Zoning Ordinance, Bonestet, Kentucky, be and the same is hereby amended by altering the Zoning Map in the following manner:

1. By changing the following boundary of land being zoned R-1 to R-2:

A certain tract or parcel of land located on the south west side of West Columbia Street in Pulaski County, Kentucky at the Junction of West Columbia Street and Loney Street.

Beginning on an iron pin set on the south west right of way of West Columbia Street; said pin being a corner to Little Mae Stephens (Deed Book 557 Page 332); thence with the south west right of way of said road south 11 degrees 33 minutes 01 seconds east for a distance of 91.00 feet to an iron pin set; said pin being an original tract corner between Deed Book 520 Page 525 and Deed Book 553 Page 500; thence continuing with the right of way south 42 degrees 12 minutes 00 seconds east for a distance of 97.64 feet to an iron pin set on the south west right of way of West Columbia Street; said pin also being on the south west right of way of Loney Street; thence with the right of way of Loney Street south 75 degrees 30 minutes 00 seconds west for a distance of 191.48 feet to a pipe found on the north west right of way of Loney Street; said pipe being a corner to Joe Carroll (Deed Book 397, Page 578); thence with the line of Carroll north 11 degrees 34 minutes 27 seconds west, for a distance of 23.22 feet to an iron pin set; said pin being an original corner to Deed Book 20 Page 524 and Deed Book 250 Page 500; thence continuing with the line of Carroll North 11 degrees 34 minutes 27 seconds west passing the line between Carroll and Mervil Henry (Deed Book 533 Page 012) for a total distance of 98.00 feet to an iron pin set; said pin being a corner to Little Mae Stephens (Deed Book 57 Page 332); thence with the line of Stephens North 42 degrees 13 minutes 00 seconds east for a distance of 83.00 feet to an iron pin set near a drive way; thence continuing with the line of Stephens north 52 degrees 11 minutes 47 seconds east for a distance of 28.09 feet to an iron pin set on the south west right of way of West Columbia Street, which is the pole of beginning and having an area of 0.5157 acres as surveyed by Bobby Hudson, LPI # 1253, on 10/01/2004.

The above described being the property conveyed to Paul Castineus and Faye E. Castineus, husband and wife, by Deed Book 220 Page 526 and Deed Book 333 Page 500 in the records of the Pulaski County Court Clerk's Office at Bonestet, Kentucky. Eva E. Castineus heretofore departed this life and for simple title vested in Paul Castineus by virtue of the survivorship provisions of said deed. Paul Castineus heretofore departed this life testate on the 29th day of July, 2004, a resident of Pulaski County, Kentucky. Per authority of Justice Mark to sign as executor of the Estate of Paul Castineus, are Will Book 046, Page 633, Pulaski County Court Clerk's Office, Kentucky and Order Admitting Will to Probate and Appointing Executor at Market Order Book 048, Page 631, Pulaski County Court Clerk's Office, Kentucky.

All corners or witness monuments referred to herein as iron pins are one half inch rebar 18 inches long and capped with an orange cap marked LB 1253, except as otherwise noted. All bearings are referenced to the meridian.

This property is subject to any and all rights of way and/or easements of record or in existence at this time and regulations that may apply through planning and zoning.

Where described property is subject to all assessments, exceptions, right-of-way, easements, and restrictions of record or that may apply.

II. The City Clerk of the City of Bonestet, Kentucky is hereby authorized to alter the Zoning Map in effect said change.

10. This Ordinance shall be in full force and effect from and after adoption.

FIRST READING: August 23, 2005

SECOND READING: _____

APPROVED: _____

MAYOR

ATTEST: _____

CITY CLERK

Mr. Wheeldon moved to approve the above ordinance in its first reading. Mrs. Norfleet seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Minton, Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, and Mrs. Hunley.

There being no further business the meeting adjourned.

APPROVED J. Smith

MAYOR

ATTEST: Sharon G. Gaudin

CITY CLERK