

RESOLUTION

The City Council of the City of Somerset, Kentucky hereby approves this resolution to authorize the purchase of land, buildings, and capital equipment of the Blakely YMCA location at a cost not to exceed \$2,400,000.

This Resolution is contingent upon execution of a lease between the YMCA and the City of Somerset detailing the terms and conditions.

The following general terms are approved by the City Council:

1. Purchase of the land, building(s), and capital equipment for \$2.4 million.
2. YMCA will pay all of the interest cost as lease payment to the City and contribute some or all of the principal payments depending financial stability of the YMCA.
3. A three year lease will be developed with the YMCA having the option of purchasing the land, building(s), and capital equipment for \$2.4 million.
4. The lease will be renegotiated at the end of the 3<sup>rd</sup> year if the YMCA decides not to purchase.
5. The name will be changed with approval by City Council.
6. The City would have two members of City Council on the Board as voting members.
7. If the YMCA financial statements indicate an operational deficit of more than \$100,000 at the end of any fiscal year, the City would have the option of terminating lease.

1-12-09