

## RESOLUTION

### RESOLUTION OF THE CITY OF SOMERSET, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF FINANCING A CONSTRUCTION PROJECT FOR THE EXISTING WATER SYSTEM OF THE CITY

**WHEREAS**, the City Council of Somerset, Kentucky, (the "City") has previously determined that it is in the public interest to make extensions, additions and improvements to the City's water system (the "System"); and

**WHEREAS**, the City desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality for the purpose of providing monies to finance the cost of said extensions, additions and improvements consisting of upgrades to the water treatment plant (the "Project") and has made an application to the Corporation therefore; and

**WHEREAS**, the City Council of the City has determined that it is in the public interest to upgrade the water treatment plant; and

**WHEREAS**, in order to obtain such monies, the City is required to enter into an Assistance Agreement with the Corporation; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Somerset, Kentucky, as follows:

**1. Authorization of Assistance Agreement and the Obligations Thereunder.** For the purpose of paying the costs, not otherwise provided, of financing the Project, the City hereby authorizes and approves the issuance of its obligations pursuant to the Assistance Agreement in the maximum principal amount of \$5,000,000 [the "Obligations"], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the City and the Corporation.

**2. Approval and Authorization of Execution of Assistance Agreement.** The Assistance Agreement by and between the City and the Corporation in the respective form attached to this Resolution as Exhibit A, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Mayor, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Mayor, or any other officer of the City, is hereby authorized to execute and acknowledge same for and on behalf of the City; and the City Clerk is authorized

to attest same and to affix thereto the corporate seal of the City. The Assistance Agreement is hereby ordered to be filed in the office of the City Clerk with this Resolution in the official records of the City.

**3. Disbursement of Proceeds of Obligations.** The City's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the financing of the Project and for the payment from time to time of the costs and related expenses associated therewith.

**4. Revenues of the System.** The revenues of the System are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

**5. Mayor and Other City Officials to Take Any Other Necessary Action.** Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Mayor, the Treasurer, the City Clerk and all other appropriate officials of the City are hereby authorized and directed to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

**6. Severability Clause.** If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

**7. Captions of Clauses.** The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

**8. Provisions in Conflict Repealed.** All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

**9. Effective Date of Resolution.** This Resolution shall take effect from and after its adoption and approval.

Adopted on September 26, 2011.

CITY OF SOMERSET, KENTUCKY

By \_\_\_\_\_  
Mayor

Attest:

By \_\_\_\_\_  
City Clerk

**CERTIFICATE**

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of Somerset, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the City Council of the City at a regular meeting duly held on September 26, 2011; that said official action appears as a matter of public record in the official records or Journal of the City Council; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said regular meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this September 26, 2011.

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City Clerk