

CITY OF SOMERSET, KENTUCKY

RESOLUTION NO. 14-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY, ADOPTING CERTAIN PROCEDURES IN CONNECTION WITH THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS; AND OTHER MATTERS RELATING THERETO**

WHEREAS, the City Council of the City of Somerset, Kentucky (the "City") has previously issued certain bonds the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes (the "Bonds"); and

WHEREAS, federal income tax law requires that issuers of tax-exempt bonds comply with certain post-issuance requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, for the purpose of maximizing the likelihood that certain applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met, the City desires to adopt the Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds (the "Procedures"), attached hereto as Exhibit A;

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

**Section 1. Approval of Written Procedures.** The Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds attached hereto as **Exhibit A** are hereby incorporated into this section as if expressly set forth herein. The City hereby covenants that unless it shall receive an opinion of Bond Counsel to the effect that failure to so comply with such Procedures shall not adversely affect the exclusion from gross income of interest on the applicable Bonds, it shall comply with the attached Procedures to the extent necessary to maintain the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and the applicable regulations thereunder.

**Section 2. Amendment of Written Procedures.** The City Council hereby delegates to the Mayor, in consultation with Bond Counsel, the authority to amend the Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds (Exhibit A) on a case by case basis, as deemed necessary.

**Section 3. Applicable Provisions of Law.** This Resolution shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

**Section 4. Authorizations.** All officials and employees of the City, including the City Treasurer and Budget Director, are authorized and empowered, collectively or individually,

to take all other actions and steps as they shall deem necessary or desirable in connection with the adoption and compliance with the Procedures.

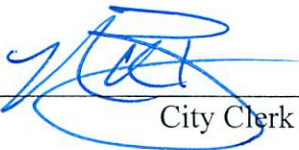
**Section 5. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Introduced, Read and Adopted at a Regular Meeting of the Somerset City Council held on October 13, 2014.

CITY OF SOMERSET, KENTUCKY

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

Attest:

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

CERTIFICATE OF CITY CLERK

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Somerset, Kentucky, that the foregoing Resolution is a true copy of an Resolution introduced, read and duly enacted by the City Council of said City, signed by the Mayor of said City, and attested under seal by me as City Clerk, at a properly convened meeting of said City Council held on October 13, 2014, as shown by the official records in my custody and under my control and that said Resolution appears as a matter of public record in the City official records.

I further certify that said meetings were duly 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 each of said meetings, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as City Clerk and the official seal of the City this October 13, 2014.

  
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City Clerk