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**STATE OF ALABAMA  
COUNTY OF COVINGTON**

**ANDALUSIA CITY HALL  
ANDALUSIA, ALABAMA  
JULY 19, 2011**

**REGULAR WORK SESSION MEETING**

**PRESENT:**

Earl V. Johnson, Mayor  
Will Sconiers, Councilmember  
Kenneth C. Mount, Councilmember  
Jason Jewell, Councilmember  
Terry Powell, Councilmember  
Mark Christensen, City Attorney

**ABSENT:**

Hazel Griffin, Councilmember

The City Council of the City of Andalusia, Alabama, met in room 340 at city hall for a work session at 5:30 p.m. for the purpose of planning and finalizing the agenda.

Mayor Johnson announced that there was a potential real estate transaction that he wanted to discuss with the council. Councilmember Jewell moved to convene an executive session to discuss details of the potential transaction. Councilmember Powell seconded the motion which passed unanimously. Mayor Johnson noted that the time was 5:45 PM and that the executive session should last approximately fifteen to twenty minutes. At 6:05 PM the council ended the executive session and Mayor Johnson announced that the work session was adjourned.

**REGULAR COUNCIL MEETING**

**PRESENT:**

Earl V. Johnson, Mayor  
Will Sconiers, Councilmember  
Kenneth C. Mount, Councilmember  
Jason Jewell, Councilmember  
Terry Powell, Councilmember  
Mark Christensen, City Attorney

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**ABSENT:**

Hazel Griffin, Councilmember

Mayor Johnson called the meeting to order and welcomed all. Councilman Sconiers led the prayer and Pledge of Allegiance to the flag.

**APPROVAL OF MINUTES:**

Mayor Johnson presented the minutes from the July 5, 2011, regular meeting. Councilmember Sconiers moved to approve the minutes. Councilmember Powell seconded the motion which passed unanimously.

**COUNCIL APPROVES ORDINANCE NO. 2011 – 05, AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION WARRANT:**

Mayor Johnson presented Ordinance No. 2011 - 05.

**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**ORDINANCE NO. 2011 – 05**

**AN ORDINANCE AUTHORIZING THE ISSUANCE  
OF \$1,000,000.00 CITY OF ANDALUSIA  
GENERAL OBLIGATION WARRANT**

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BE IT ORDAINED, by the City Council of the City of Andalusia, Alabama, as follows:

SECTION 1. Definitions, Use of Words and Phrases.

(a) The following words and phrases shall have the following respective meanings in this ordinance:

"Bank" means Whitney National Bank, Montgomery, Alabama.

"Code" means the Internal Revenue Code of 1986, as amended.

"Governing Body" means the City Council of the Issuer.

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"Issuer" means the City of Andalusia, Alabama.

"Net Proceeds", when used with reference to the Warrant, means the face amount of the Warrant, as amended and restated, plus accrued interest and premium, if any, less original issue discount and less proceeds deposited in a reserve fund, if any.

"Project" means the construction of an approximately 38,000 square foot expansion of the facility at South Alabama Regional Airport currently leased by Vector Aerospace.

"Warrant" means the warrant previously issued and as amended and restated pursuant to this ordinance and authorized herein.

(b) The definitions set forth herein include both singular and plural. Whenever used herein, any noun or pronoun shall be deemed to include both singular and plural and to cover all genders.

SECTION 2. Findings. The Governing Body has ascertained and determined, and does hereby find and declare that the following facts are true and correct:

(a) On the 6<sup>th</sup> day of April, 2011, Issuer issued its warrant in favor of Bank, in the amount of \$1,000,000 which warrant contained a maturity date of June 5, 2011.

(b) The Issuer anticipates having permanent financing available for the Project in the near future and wants to extend the maturity date of the warrant to allow for the closing on such permanent financing.

(c) The terms of the Warrant provide attractive and advantageous interim financing for the Issuer until the Closing of the permanent financing.

SECTION 3. Authorization of the Warrant and Use of Proceeds. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama 1975, as amended, there are hereby authorized to be issued by the Issuer up to \$1,000,000 aggregate principal amount of its Amended and Restated General Obligation Warrant, Series 2011, and to pay any costs or fees in connection with the issuance of the Warrant. Further, this authorization shall include the future extension of the maturity of the Amended and Restated General Obligation Warrant, Series 2011 if so approved by the Mayor and Bank.

SECTION 4. Approval of Form of Warrant. The Issuer hereby acknowledges and approves all of the various terms within the Form of Warrant as indicated herein, including but not limited to, terms with respect to the interest rate(s) (including any interest rate adjustment provisions), premium, if any, repayment terms, maturities, security and method of execution, and any and all future extensions of the same.

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SECTION 5. Security. The indebtedness evidenced and ordered paid by this Warrant continues as a general obligation of the Issuer for the payment of the principal of, premium, if any, and interest hereon and all other amounts payable hereunder, and the full faith and credit of the Issuer are pledged hereto.

SECTION 6. Form of the Warrant. The Warrant shall be issued as a fully registered warrant without coupons (registration shall be evidenced by the manual signature of the Mayor or Clerk on a registration certificate on the Warrant) and along with the form of assignment applicable thereto shall be in substantially the form attached hereto as Exhibit A, with such insertions, omissions and other variations as the Mayor of the Issuer shall approve as reasonable and in accordance with the laws of the State of Alabama under which the Warrant is authorized, which approval shall be evidenced by, and need only be evidenced by, the execution of the Warrant by the parties executing the Warrant as indicated in Exhibit A hereto; provided, however, there shall be no variation from Exhibit A with respect to the interest rate(s), premium, if any, repayment terms, maturities or security without prior approval of the Governing Body.

(a) The governing body of the Issuer shall have adopted an ordinance or ordinances reciting that the Issuer is not at the time in default hereunder and that no such default is imminent, authorizing the issuance, execution, sale and delivery of such warrants, and setting forth the date thereof, the date or dates of maturity, the rate or rates of interest (if any), the dates of payment thereof, the maximum aggregate principal amount of the series, the redemption provision (if any), the text of the form of the Parity Warrants of each series, the person or persons to whom the same have been sold and shall be issued, the sales price thereof, and a brief description of the facilities (if any) that will be constructed or acquired with the proceeds thereof or that have been financed by other obligations of, or assumed by, the Issuer being refunded by the Parity Warrants proposed to be issued. Any such ordinance or ordinances may contain any other or additional statements, materials, provisions, covenants and agreements which the governing body of the Issuer shall elect to include therein.

SECTION 7. Provisions Constitute Contract. The provisions of this ordinance shall constitute a contract between the Issuer and the registered owner of the Warrant.

SECTION 8. Execution of Other Documents. All of the officials of the Issuer are hereby separately authorized and directed in the name and on behalf of the Issuer to take any and all actions that they may deem advisable in order to give effect to the intent of this ordinance, and in connection therewith to perform in the name of the Issuer such actions and to execute, deliver, seal, attest and accept such other ancillary documents and certificates, as may be necessary or advisable to the issuance of the Warrant, and to carry out fully the financing hereinabove authorized, and all future extensions and modifications thereof, and all such actions taken are hereby ratified and confirmed as valid and binding on the Issuer.

SECTION 9. Provisions of Ordinance Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provisions hereof shall be held

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invalid by a court of competent jurisdiction such invalidity shall not affect any other portion of this ordinance.

SECTION 10. Certain Covenants of the Issuer. The Issuer hereby covenants to (i) provide the Bank any information or documents reasonably requested by the Bank from time to time, (ii) pay all costs, fees and expenses incurred by the Bank (including without limitation, attorneys' fees and expenses) relating to or arising from (a) non-payment of any amount due under the Warrant or this ordinance or (b) breach of any covenant of the Issuer under this ordinance or the Warrant, (iii) inform the Bank of any adverse change in the Issuer's financial position, and (iv) inform the Bank if any representation made by the Issuer in connection with or as an inducement to the Bank's commitment to extend credit to the Issuer under the Warrant is or has become false or misleading in any respect.

SECTION 11. Effective Date. This ordinance shall become effective immediately upon its passage by the Governing Body.

ADOPTED this 19<sup>th</sup> day of July, 2011.

CITY OF ANDALUSIA, ALABAMA

By: \_\_\_\_\_  
Earl V. Johnson, Mayor

ATTEST:

\_\_\_\_\_  
John M. Thompson, City Clerk – Treasurer

[SEAL]

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EXHIBIT A

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**CERTIFICATION**

I, John M. Thompson, Clerk of the City of Andalusia, Alabama (the "Issuer"), do hereby certify that the following is a true and correct copy of Ordinance No. 2011 - 05 which was duly passed by the City Council of the Issuer at its scheduled meeting held on July 19, 2011. I further certify that the said meeting was duly held pursuant to all required notices, that a quorum of the City Council was present and voting throughout and that the said Ordinance is in full force and effect and has not been rescinded, amended or modified since its adoption.

Dated July 19, 2011.

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City Clerk

S E A L

Councilmember Powell moved to suspend all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of Ordinance No. 2011 – 05. The motion was seconded by Councilmember Jewell. The city clerk called the roll of the council for a vote which produced the following results:

**YES:**

Mayor Johnson  
Councilmember Sconiers  
Councilmember Mount  
Councilmember Jewell  
Councilmember Powell

**NO:**

None

**ABSTAINED:**

None

The Mayor declared the motion carried.

Councilmember Powell moved to approve Ordinance No. 2011 – 05. Councilmember Jewell seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2011 - 16, APPROVING A GUARANTY AGREEMENT FOR THE VECTOR EXPANSION PROJECT AND REFINANCING OF OTHER SOUTH ALABAMA REGIONAL AIRPORT AUTHORITY DEBT:**

Mayor Johnson presented Resolution No. 2011 – 16.

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**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**A RESOLUTION  
RELATING TO THE VECTOR AEROSPACE EXPANSION PROJECT AND DEBT  
REFINANCING AT SOUTH ALABAMA REGIONAL AIRPORT IN COVINGTON  
COUNTY, ALABAMA**

**RESOLUTION NO. 2011 – 16**

**BE IT RESOLVED** by the Mayor and City Council of the CITY OF ANDALUSIA, ALABAMA, as follows:

1. The Mayor and the City Council (the "Council") of the City of Andalusia, Alabama (the "City") have made the following finding and determinations:
  - i. the Andalusia-Opp Airport Authority, aka South Alabama Regional Airport Authority, an Alabama public corporation (the "Airport Authority"), has heretofore undertaken to construct, expand and improve two industrial buildings (the "Buildings") that are located on land leased to the Airport Authority by the City of Andalusia;
  - ii. in order to finance the costs of expanding and improving one of the Buildings (Vector Expansion) and to refund and retire certain obligations heretofore incurred by the Airport Authority with respect to the other Building (SSAI Building) and certain other obligations, The Covington County Industrial Development Authority ( the "Authority"), an Alabama public corporation, proposes to issue and sell up to \$7,500,000 in principal amount of its Taxable Variable Rate Revenue Bonds (Andalusia-Opp Airport Project), Series 2011 (the "Series 2011 Bonds");
  - iii. the primary source of payment of the debt service on the Series 2011 Bonds will be available moneys provided by the Airport Authority pursuant to a Funding Agreement between the Airport Authority and the Authority;
  - iv. the prospective initial purchaser of the Series 2011 Bonds has required that the payment of the principal of and interest on the Series 2011 Bonds be secured by a general obligation pledge of the City, the City of Opp ("Opp") and Covington County (the "County");

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- v. the actions of the Airport Authority that are being financed or refinanced through the issuance of the Series 2011 Bonds will promote local economic and industrial development in the City;
- vi. in order to accomplish the issuance of the Series 2011 Bonds and the completion of the related actions of the Airport Authority, it will be necessary for the City (along with Opp and the County) to enter into the Guaranty Agreement authorized herein;
- vii. the City will enter into said Guaranty Agreement pursuant to the provisions of Amendment No. 725 to the Constitution of Alabama of 1901;
- viii. on July 12, 2011, a notice of the meeting at which this resolution is adopted was published in *The Andalusia Star News*, the newspaper having the largest circulation in the City, which notice described in reasonable detail the action proposed to be taken by the City pursuant to this resolution and the public benefits sought to be achieved by such action and identified Vector Aerospace USA, Inc, Support Systems Associates Inc., and Support Systems Andalusia Alabama, LLC, as the corporations or other business entities for whose benefit such action is proposed to be taken; and
- ix. the Council has determined that any expenditure of public funds pursuant to the Guaranty Agreement authorized herein will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

2. In order to promote local economic and industrial development in the City, the Council hereby authorizes and directs the Mayor to execute and deliver, for and in the name and behalf of the City, a Guaranty Agreement with respect to the Series 2011 Bonds. Said Guaranty Agreement shall be in substantially the form presented to the meeting of the Council at which this resolution is adopted (a copy of which form is on file in the office of the City Clerk and which is hereby adopted in all respects as if the same were set out in full herein), with such changes as the Mayor, acting with the advice of counsel to the City, shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of said Guaranty Agreement by the Mayor to be conclusively established by his execution of the same.

3. The Mayor and the City Clerk of the City are hereby authorized and directed to execute, deliver, seal and attest such other ancillary documents and certificates as may be

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necessary to carry out fully the transactions contemplated by this resolution are hereby ratified and confirmed.

4. All actions heretofore taken by the City and the officers thereof in connection with the transactions contemplated by this resolution are hereby ratified and confirmed.

5. The various provisions of this resolution are hereby declared to be severable. In the event any provisions hereof shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not affect the validity or enforceability of any other portion of this resolution.

**ADOPTED AND APPROVED this 19<sup>th</sup> day of July, 2011.**

**THE CITY OF ANDALUSIA, ALABAMA**

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**Earl V. Johnson, Mayor**

**ATTEST:**

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**John M. Thompson, City Clerk – Treasurer**

(Guaranty Agreement on file in City Clerk's Office.)

Councilmember Powell moved to approve Resolution No. 2011 - 16. Councilmember Sconiers seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2011 – 17, APPROVING OUTSIDE AGENCY APPROPRIATIONS:**

Mayor Johnson presented Resolution No. 2011 – 17.

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**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2011 – 17**

**A RESOLUTION APPROVING OUTSIDE AGENCY APPROPRIATIONS**

**WHEREAS**, the City Council of the City of Andalusia desires to provide financial assistance to certain outside agencies; and

**WHEREAS**, the City Council of the City of Andalusia has examined the performance of certain outside agencies and found them to provide a public benefit to the citizens of the City of Andalusia.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANDALUSIA**, that \$34,175 be appropriated from contingency and that the treasurer is hereby directed to fund the 2011 outside agency requests for the third quarter of FY 2011.

**ADOPTED AND APPROVED** this 19<sup>th</sup> day of July, 2011.

**THE CITY OF ANDALUSIA, ALABAMA**

By: \_\_\_\_\_  
**Earl V. Johnson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**John M. Thompson, City Clerk – Treasurer**

Councilmember Jewell moved to approve Resolution No. 2011 - 17. Councilmember Sconiers seconded the motion which passed unanimously.

**COUNCIL APPROVES ORDINANCE NO. 2011 – 04, TRANSFERRING SURPLUS  
REAL PROPERTY TO POWERSOUTH ENERGY COOPERATIVE, INC.:**

Mayor Johnson presented Ordinance No. 2011 – 04.

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**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**ORDINANCE NO. 2011 - 04**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANDALUSIA,  
ALABAMA, AS FOLLOWS:**

Section 1. It is hereby established and declared that the following described real property of the City of Andalusia, Alabama, is no longer needed for public or municipal purposes, to wit:

A parcel of land located in the Northeast Quarter of the Southwest Quarter of Section 8, Township 4 North, Range 16 East and being more particularly described as follows. COMMENCE at a found iron pin located at the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section 8; thence run North 00 degrees 56 minutes 27 seconds East for a distance of 54.87 feet to a found concrete marker; thence run North 00 degrees 56 minutes 47 seconds East on the East line of the Northwest Quarter of the Southwest Quarter for a distance of 1197.63 feet to a set 2" pipe and cap and the POINT OF BEGINNING: thence continue North 00 degrees 56 minutes 47 seconds East on said Quarter line for a distance of 100.00 feet to a found iron pin located at the Southwest corner of the Southeast Quarter of the Northwest Quarter of Section 8; thence run South 89 degrees 06 minutes 00 seconds East on the North line of the Northeast Quarter of the Southwest Quarter of Section 8 for a distance of 833.94 feet to a set 2" pipe and cap on a curve concave southwesterly having a radius of 500.00 feet; (C.B.=South 65 degrees 47 minutes 50 seconds East Ch=474.71 feet;) thence run on said curved boundary for a distance of 488.05 feet to a set 2" pipe and cap; thence run South 00 degrees 15 minutes 58 seconds East for a distance of 173.88 feet to a found iron pin located on a curve concave southwesterly having a radius of 500.00 feet; (C.B.=North 58 degrees 20 minutes 10 seconds West; Ch=511.50 feet;) thence run on said curved boundary for a distance of 536.93 feet to a set 2" pipe and cap; thence run North 89 degrees 06 minutes 00 seconds West for a distance of 834.02 feet to the POINT OF BEGINNING: lying in the Northeast Quarter of the Southwest Quarter of Section 8, Township 4 North, Range 16 East in Covington County, Alabama and containing 3.17 acres.

A parcel of land located in the Northwest Quarter of the Southeast Quarter of Section 8, Township 4 North, Range 16 East and being more particularly described as follows; COMMENCE at a found capped pin (CA6731) locally accepted as the Southwest corner of the Northwest Quarter of the Southeast Quarter of said Section 8; thence run North 00 degrees 15 minutes 58 seconds West for a distance of 505.34 feet to a set 2" pipe and cap and the POINT OF BEGINNING: thence continue North 00 degrees 15 minutes 58 seconds West for a distance of 460.40 feet to a found pin; thence run South 87 degrees 26 minutes 42 seconds East for a distance of 1126.95 feet to a found capped pin; thence run South 00 degrees 42 minutes 39

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seconds East for a distance of 209.20 feet to a set 2” pipe and cap; thence run North 89 degrees 50 minutes 42 seconds East for a distance of 190.00 feet to a found pin; thence run South 00 degrees 04 minutes 48 seconds East for a distance of 99.97 feet to a found pin; thence run South 00 degrees 00 minutes 06 seconds West for a distance of 99.71 feet to a found pin; thence run South 89 degrees 55 minutes 16 seconds West for a distance of 189.94 feet to a found pin; thence continue South 89 degrees 55 minutes 16 seconds West for a distance of 1126.48 feet to the POINT OF BEGINNING: lying in and being a part of the Northwest Quarter of the Southeast Quarter of Section 8, Township 4 North, Range 16 East in Covington County, Alabama, and containing 12.11 acres.

Section 2. That the mayor and the city clerk be, and they hereby are, authorized and directed to execute and attest, respectively, for and on behalf of the city of Andalusia, Alabama, a warranty deed, a copy of which is on file in the office of the city clerk, whereby the city of Andalusia, Alabama, does convey the premises described in Section 1, hereof to PowerSouth Energy Cooperative, Inc. for and in consideration of the sum of fifty – two thousand dollars (\$52,000).

**ADOPTED AND APPROVED THIS 19<sup>th</sup> DAY OF JULY, 2011.**

\_\_\_\_\_  
**Earl V. Johnson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**John M. Thompson, City Clerk – Treasurer**

Councilmember Mount moved to suspend all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of Ordinance No. 2011 – 04. The motion was seconded by Councilmember Powell. The city clerk called the roll of the council for a vote which produced the following results:

**YES:**

Mayor Johnson  
Councilmember Sconiers  
Councilmember Mount  
Councilmember Jewell  
Councilmember Powell

**NO:**

None

**ABSTAINED:**

None

The Mayor declared the motion carried.

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Councilmember Mount moved to approve Ordinance No. 2011 – 04. Councilmember Powell seconded the motion which passed unanimously.

**ANNOUNCEMENTS:**

Mayor Johnson announced there were two openings on the Board of Zoning Adjustments and three openings on the Historical Preservation Authority.

**ADJOURNMENT:**

With no further business, Mayor Johnson called the meeting adjourned.

**THE CITY OF ANDALUSIA, ALABAMA**

**BY:** \_\_\_\_\_  
**Earl V. Johnson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**John M. Thompson, City Clerk - Treasurer**