

**PAGE ONE**

**STATE OF ALABAMA  
COUNTY OF COVINGTON**

**ANDALUSIA, ALABAMA  
ANDALUSIA CITY HALL  
AUGUST 4, 2015**

**REGULAR WORK SESSION MEETING**

**PRESENT:**

Earl V. Johnson, Mayor  
Terry Powell, Councilmember  
Will Sconiers, Councilmember  
Kenneth C. Mount, Councilmember  
Ralph Wells, Councilmember  
Hazel Griffin, Councilmember  
Mark Christensen, City Attorney

**ABSENT:**

The City Council of the City of Andalusia, Alabama, met in room 340 at city hall for a work session at 5:00 p.m. for the purpose of planning and finalizing the agenda.

**REGULAR COUNCIL MEETING**

**PRESENT:**

Earl V. Johnson, Mayor  
Terry Powell, Councilmember  
Will Sconiers, Councilmember  
Kenneth C. Mount, Councilmember  
Ralph Wells, Councilmember  
Hazel Griffin, Councilmember  
Mark Christensen, City Attorney

**ABSENT:**

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

**APPROVAL OF MINUTES:**

Mayor Johnson presented the minutes from the regular meeting, July 21, 2015. Councilmember Wells moved to approve the minutes. Councilmember Griffin seconded the motion which passed unanimously.

**PAGE TWO**

**COUNCIL APPROVES RESOLUTION 2015 – 35, ABATEMENTS:**

Mayor Johnson presented Resolution 2015 – 35, Abatements to the council.

**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015 - 35**

**BE IT RESOLVED** by the City Council of the City of Andalusia, Alabama that we, after having examined the report of the City Building Inspector, do hereby find that the property in question specifically described below and denominated as parcel numbers by the Revenue Commission of Covington County is hazardous to the health, safety, welfare, and morals of the citizens of Andalusia and thereby constitute a public nuisance pursuant to the Alabama Act No. 94-540 as adopted by the City Council of the City of Andalusia:

- |                   |                           |
|-------------------|---------------------------|
| 1.) 101 Doyle St. | parcel # 1304174001016000 |
| 2.) 422 Owens St. | parcel # 1304174009022000 |

**BE IT FURTHER RESOLVED** that the City Council hereby authorizes the Building Inspector to proceed with the abatement of these nuisances as authorized under State of Alabama Act. No. 94-540 as adopted by the City of Andalusia.

**ADOPTED AND APPROVED** this 4<sup>th</sup> day of August, 2015

**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

**PAGE THREE**

Councilmember Powell moved to approve Resolution 2015-35. Councilmember Mount seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015 – 36, ASSESSING COSTS OF ABATEMENTS:**

Mayor Johnson presented Resolution 2015 – 36, Assessing Costs of Abatements to the council.

**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015 - 36**

**A RESOLUTION DETERMINING COSTS OF ABATEMENT OF PROPERTIES**

**WHEREAS**, the City of Andalusia, Alabama, adopted the provisions of State of Alabama Act 94-540 by Ordinance No. 1994-7 which provides for the abatement of nuisances; and

**WHEREAS**, the City Council is required to confirm the costs the City of Andalusia has incurred in the abatement of nuisance properties; and

**WHEREAS**, the City of Andalusia has incurred costs in the abatement of nuisances located at 506 Eighth Ave., parcel # 1304181009010000, Eighth Ave. Empty Lot, parcel # 1304184001001000, 505 Seegers St., parcel # 1304193001011000, 13200 Brooklyn Rd., parcel # 1407252001008000, 501 Brewton St., parcel # 1304202204003001, and 1509 1<sup>ST</sup> Ave. Green Acres; now

**BE IT RESOLVED** by the City Council of the City of Andalusia that the actual costs of abatement of the aforementioned properties is as follows:

Owner: Federal National Mortgage Association  
Parcel: 1304181009010000  
Description: 506 Eighth Ave.  
Total Cost of Abatement: \$368.28

Owner: Phillip A. Danford  
Parcel: 1407252001008000  
Description: 13200 Brooklyn Rd.  
Total Cost of Abatement: \$70.68

Owner: Trudie Horne c/o Christine Gallop  
Parcel: 1304184001001000  
Description: Eighth Ave. Empty Lot  
Total Cost of Abatement: \$148.68

Owner: Jason R. Spencer  
Parcel: 1305213003010000  
Description: 1509 1<sup>ST</sup> Ave. Green Acres  
Total Cost of Abatement: \$106.68

Owner: Phillip A. Danford  
Parcel: 1304193001011000  
Description: 505 Seegers St.  
Total Cost of Abatement: 235.08

Owner: Steve Palmer  
Parcel: 1304202204003001  
Description: 501 Brewton St. Empty Lot  
Total Cost of Abatement: \$124.68

**ADOPTED AND APPROVED** this 4<sup>th</sup> day of August, 2015.

**PAGE FOUR**

**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

Councilmember Griffin moved to approve Resolution 2015-36. Councilmember Wells seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015 – 37, THIRD QUARTER OUTSIDE AGENCY REQUESTS:**

Mayor Johnson presented Resolution 2015 – 37, Third Quarter Outside Agency Requests to the council.

**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015-37**

**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 \$54,350 be appropriated from contingency and that the treasurer is hereby directed to fund the 2015 Outside Agency Requests for the Third Quarter of FY 2015.

**ADOPTED AND APPROVED** this 4th day of August, 2015.

**PAGE FIVE**

**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

Councilmember Sconiers moved to approve Resolution 2015-37. Councilmember Powell seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015 – 38, EASTSIDE SIDEWALK PROJECT:**

Mayor Johnson presented Resolution 2015 – 38, Eastside Sidewalk Project to the council.

**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA  
RESOLUTION NO. 2015-38**

**A RESOLUTION APPROVING SIDEWALK IMPROVEMENTS ALONG LINDSEY BRIDGE ROAD, STANLEY AVENUE, AND CHALMERS BRYANT DRIVE**

**WHEREAS**, the Alabama Department of Transportation (ALDOT) has approved funding through the Transportation Alternatives Program (TAP) for sidewalk improvements within the City of Andalusia. More specifically ALDOT Project TAPAA-TA15(925) Sidewalk Improvements along Lindsey Bridge Road, Stanley Avenue, & Chalmers Bryant Drive; and

**WHEREAS**, the City of Andalusia is required to hire an engineering firm to provide all required permitting and engineering design for this project.

**NOW, THEREFORE BE IT RESOLVED** that the City of Andalusia selects Civil Southeast, LLC to provide all required engineering design; and

**BE IT FURTHER RESOLVED** that the City Council authorizes the Mayor and Clerk to execute the corresponding Engineering Design Agreement authorizing Civil Southeast to begin work on these projects.

**APPROVED AND ADOPTED** by the City of Andalusia’s Council on 4<sup>th</sup> of August, 2015.

**PAGE SIX**

**CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

\_\_\_\_\_  
**John Thompson, City Clerk/Treasurer**

Councilmember Powell moved to approve Resolution 2015-38. Councilmember Wells seconded the motion which passed unanimously.

**COUNCIL APPROVES JOINT RESOLUTION AND AGREEMENT:**

Mayor Johnson presented a Joint Resolution and Agreement of the Cities of Andalusia and Opp and Covington County to the council.

**JOINT RESOLUTION AND AGREEMENT OF THE  
CITIES OF ANDALUSIA AND OPP AND COVINGTON  
COUNTY**

**BE IT RESOLVED BY THE CITY COUNCILS OF ANDALUSIA  
AND OPP AND THE COVINGTON COUNTY COMMISSION AS  
FOLLOWS:**

**Whereas,** the Andalusia-Opp Airport Authority a/k/a South Alabama Regional Airport Authority ("Authority") has incurred or caused to incur indebtedness from (a) Airport Revenue Bonds Series 2006A Bond Issue dated February 1, 2006 ("2006A Bond"), (b) Airport Revenue Bond Series 2006B Bond Issue dated February 1, 2006 ("2006B Bond"), (c) Taxable Variable Rate Revenue Bonds Series 2011 (a/k/a PNC-11) dated August 3, 2011 ("2011 PNC Loan"), and (d) Covington Electric Cooperative (a/k/a CEC) loan dated February 20, 2013 ("CEC Loan"), in connection with agreements with and through the Covington County Industrial Development Authority, all indebtedness referred to herein as the "Obligations," and said Obligations as of August 1, 2015, totaling \$11,549,547.00 all being principal;

**Whereas,** the cities of Andalusia and Opp and Covington County (collectively, the "Entities") have guaranteed the indebtedness of the Authority, jointly and severally, and by agreement they have agreed to allocate the Obligations among themselves as follows:

**PAGE SEVEN**

Item	Total	County	Andalusia	Opp
2006A Bond	\$4,250,000	\$1,827,500	\$1,445,000	\$977,500
20068 Bond	\$730,000	\$313,900	\$248,200	\$167,900
2011 PNC Loan	\$6,379,451	\$2,743,164	\$2,169,013	\$1,467,274
CEC Loan	\$190,096	\$81,741	\$64,633	\$43,722
	<hr/>	<hr/>	<hr/>	<hr/>
	\$11,549,547	\$4,966,305	\$3,926,846	\$2,656,396

Whereas, the Authority and the Entities agree that it is in the best interest of all to satisfy the Obligations pursuant to the issuance of separate bonds by each Entity for their respective share of the Obligations (said indebtedness to be incurred by each Entity referred to herein collectively as the "Restructured Indebtedness"); and

EXHIBIT A

**Whereas**, the cities of Andalusia and Opp and Covington County are agreeable to incur the Restructured Indebtedness for the purpose stated above and in the amounts stated above, in exchange for a resolution and agreement of the Authority that will among other things, (a) grant the Entities input and approval in proposed listing agreements, sale agreements, and lease agreements as to the Twin Hangars and the buildings currently leased by Vector Aerospace (said Twin Hangars and Vector Buildings all collectively referred to as the "Facilities") at the South Alabama Regional Airport, (b) pledge the Authority's full faith and credit to pay to the Entities an amount equal to the net proceeds of any lease or sale of all or any portion of the Facilities according to the following percentages: Andalusia 34%, Opp 23%, and Covington County 43%; (c) pledge the Authority's full faith and credit to continue to pay to the Entities \$7,000.00 each month according to the following percentages: Andalusia 34%, Opp 23%, and Covington County 43%; and (d) pledge that the Authority shall execute and deliver to each Entity a promissory note in the amount of each Entities' respective share of the Obligations which promissory notes shall provide for their payment and satisfaction by the payments as provided in sections (b) and (c) herein and as set forth below;

**Whereas**, the Authority has agreed to grant the cities of Andalusia and Opp and Covington County input and approval in proposed listing agreements, sale agreements, and lease agreements as to the Twin Hangars and the buildings currently leased by Vector Aerospace at the South Alabama Regional Airport,

**PAGE EIGHT**

**Whereas**, further, the Authority has agreed to continue to pay to the Entities the \$7,000.00 per month, in accordance with the Entities' pro rata share of the Restructured indebtedness, that the Authority has heretofore paid toward the 2006B Bond, as payment toward the debt owed under each promissory note to the Entities;

**Whereas**, further, the cities of Andalusia and Opp and Covington County have requested that the Authority pledge revenues from any leases or sales of the Facilities and execute and deliver to each Entity a promissory note in the amount of each Entities' respective share of the Obligations;

**Whereas**, further, the cities of Andalusia and Opp and Covington County find that a valid public purpose is served by assisting the Authority as set out above and below, including, but not limited to, providing a viable airport for the citizens of the cities and county as well as an economic development asset to attract new industry and jobs.

**Now Therefore, Be it Resolved**, that the City of Andalusia, the City of Opp and Covington County agree as follows, all provided that the governing body of the South Alabama Regional Airport Authority shall properly pass and adopt the Resolution and Agreement identified on the attached Exhibit "A,":

1. The cities of Andalusia and Opp and Covington County are agreeable to incur and will so incur the Restructured Indebtedness for the purposes and upon the conditions stated above, in the following percentage amounts: Andalusia-34%; Opp-23% and Covington County-43% (current, total pay-off amounts equal approximately \$11,549,547 as to the Obligations, so that the bond issue for Andalusia will be approximately \$3,926,846; the bond issue for Opp will be approximately \$2,656,396; and, the bond issue for Covington County will be approximately \$4,966,305), all contingent upon the proper passage and adoption of Resolution and Agreement by the Authority which is attached hereto as Exhibit "A."

2. The cities of Andalusia and Opp and Covington County do further agree that any and all payments from any sales or lease agreements as to the Facilities, all or less than all, as paid by the Authority shall be split in the same percentage as the cities' and county's percentage split related to the Restructured Indebtedness as set out in Paragraph 1. Restructured Indebtedness shall include the Bond issue indebtedness of each City and the County incurred in 2015 for the purposes of this Resolution and any future Bond issue indebtedness incurred by each City and the County as result of any Bond refinance transaction related to the Facilities' 2015 bond issues.

**PAGE NINE**

3. The Cities and County, through their Mayors and Commission Chairman, shall: (a) preview and pre-approve any listing agreement with any real estate or like broker as to the Facilities; (b) preview and pre-approve any offers to purchase or purchase agreements; and (c) preview and pre-approve any offers to lease or lease agreements, all of said rights relating to the Facilities, either all or less than all of the Facilities, as long as the Authority is indebted to such Entity under the promissory note to it as provided herein, and all decisions as to whether to execute a listing agreement or lease or sell the Facilities, either all or less than all of the Facilities, must be approved by a three-fourths (3/4th) vote as between the Mayor of Andalusia, the Mayor of Opp, the Chairman of the Covington County Commission and the Chairman of the Authority.

**Whereas**, The Entities understand and agree that the respective Chairman of the Authority, Mayors and County Commission Chairman will have to consult with their respective governing bodies from time to time concerning the subject matter of this section, but said Entities pass this Resolution upon the agreement that the respective Chairman of the Authority, Mayors and County Commission Chairman shall provide their respective vote by email or other writing delivered to the Executive Director of the Authority within ten (10) days of emailed notice to them (it is agreed it shall be the responsibility of the respective Mayors and County Commission Chairman to provide, when requested, proper email addresses to the Authority, in order to timely receive said notifications and said Mayors and County Commission Chairman agree that all emailed votes shall be sent to the Authority's Executive Director's email address). If for any reason email notification is impossible, then hand delivery of said notice shall be permitted and accomplished. The Cities and County agree that if the respective Chairman of the Authority, Mayors and County Commission Chairman, all or less than all, fail to vote within said time period stated above, then said failure to vote prior to the expiration of said ten (10) days shall equate to a "No" vote. Neither any Mayor or Commission Chairman, nor as provided in Exhibit "A," any Chairman of the Authority, shall unreasonably withhold his/her/its affirmative vote as to any leasing/sale decision.

**Whereas**, Said City Councils for Opp and Andalusia and said County Commission do hereby fully empower their respective Mayors and Commission Chairman to vote or withhold his/her vote on behalf of the respective Cities and County as stated above. If for any reason this provision which empowers the respective Mayors and Commission Chairman to vote or withhold his/her vote as provided above is deemed ineffective under law for any reason, then the respective City Councils and County Commission themselves will be responsible for voting as provided above and covenant, if deemed necessary, to properly ratify any prior or future votes of said respective Mayors and Commission Chairman.

4. Andalusia, Opp and Covington County agree that they shall split, in the same percentages as set out in Paragraph 1 above, the \$7,000.00 per month payments which the Authority has agreed to pay as part of its Resolution and Agreement (Exhibit "A") attached hereto.

**PAGE TEN**

5. As to the Restructured Indebtedness, the cities of Andalusia, Opp and Covington County agree to use their best, good faith efforts to coordinate the simultaneous closings of their respective bond issues so that the Obligations can be properly satisfied.

6. The Entities acknowledge that the aforesaid agreements stated above are solely granted and made due to the fact that they have agreed to be responsible for the Restructured Indebtedness which is satisfying the Obligations of the Authority as defined and set out above. No Entity is an agent, partner or part of a joint venture of or with the Authority and no Entity is an agent, partner or part of a joint venture of the other Entities.

7. The Entities acknowledge that it and its counsel have participated fully in the review, drafting and revision of this Resolution. Further, the Authority and its counsel have made comment and reviewed this Resolution prior to adoption. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

8. The provisions of this Resolution are considered permanent as to each City Council and County Commission. Moreover, the provisions of this Resolution are severable. If any section, subsection, provision, term, phrase or word shall be declared to be invalid by judgment or decree of a court of competent jurisdiction, such judgment or decree shall not affect any other section, subsection, provision term, phrase or word of this Resolution.

7. The Entities acknowledge that it and its counsel have participated fully in the review, drafting and revision of this Resolution. Further, the Authority and its counsel have made comment and reviewed this Resolution prior to adoption. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

8. The provisions of this Resolution are considered permanent as to each City Council and County Commission. Moreover, the provisions of this Resolution are severable. If any section, subsection, provision, term, phrase or word shall be declared to be invalid by judgment or decree of a court of competent jurisdiction, such judgment or decree shall not affect any other section, subsection, provision term, phrase or word of this Resolution.

**PAGE ELEVEN**

RESOLUTION AND AGREEMENT OF THE ANDALUSIA-OPP AIRPORT  
AUTHORITY A/K/A SOUTH ALABAMA REGIONAL AIRPORT AUTHORITY

Whereas, the Andalusia-Opp Airport Authority a/k/a South Alabama Regional Airport Authority ("Authority") has incurred or caused to incur indebtedness from (a) Airport Revenue Bonds Series 2006A Bond Issue dated February 1, 2006 ("2006A Bond"), (b) Airport Revenue Bond Series 2006B Bond Issue dated February 1, 2006 ("2006B Bond"), (c) Taxable Variable Rate Revenue Bonds Series 2011 (a/k/a PNC-11) dated August 3, 2011 ("2011 PNC Loan"), and (d) Covington Electric Cooperative (a/k/a CEC) loan dated February 20, 2013 ("CEC Loan"), in connection with agreements with and through the Covington County Industrial Development Authority, all indebtedness referred to herein as the "Obligations," and said Obligations as of August 1, 2015, totaling \$11,549,547.00 all being principal;

Whereas the cities of Andalusia and Opp and Covington County (collectively, the "Entities") have guaranteed certain indebtedness of the Authority, jointly and severally, and by agreement they have agreed to allocate the following Obligations among themselves as follows:

Item	Total	County	Andalusia	Opp
2006A Bond	\$4,250,000	\$1,827,500	\$1,445,000	\$977,500
2006B Bond	\$730,000	\$313,900	\$248,200	\$167,900
2011 PNC Loan	\$6,379,451	\$2,743,164	\$2,169,013	\$1,467,274
CEC Loan	\$190,096	\$81,741	\$64,633	\$43,722
	<u>\$11,549,547</u>	<u>\$4,966,305</u>	<u>\$3,926,846</u>	<u>\$2,656,396</u>

Whereas, the Authority and the Entities agree that it is in the best interest of all to satisfy the Obligations pursuant to the issuance of separate bonds by each Entity for their respective share of the Obligations (said indebtedness to be incurred by each Entity referred to herein collectively as the "Restructured Indebtedness");

Whereas, the Entities agree to incur the Restructured Indebtedness for the purpose stated above and in the amounts stated above, in exchange for the adoption of this resolution and agreement of the Authority that will (a) grant the Entities input and approval in proposed listing agreements, sale agreements, and lease

## PAGE TWELVE

agreements as to the Twin Hangars and the buildings currently leased by Vector Aerospace (said Twin Hangars and Vector Buildings all collectively referred to as the "Facilities") at the South Alabama Regional Airport, (b) pledge the Authority's full faith and credit to pay to the Entities an amount equal to the net proceeds of any lease or sale of all or any portion of the Facilities according to the following percentages of Andalusia 34%, Opp 23%, and Covington County 43%; (c) pledge the Authority's full faith and credit to continue to pay to the Entities \$7,000 each month according to the following percentages of Andalusia 34%, Opp 23%, and Covington County 43%; and (d) execute and deliver to each Entity a promissory note in the amount of each Entities' respective share of the Obligations which promissory notes shall provide for their payment and satisfaction by the payments as provided in sections (b) and (c) herein and as set forth below; and

Whereas, the Authority and Entities agree that the payments provided herein shall continue to be made by the Authority to any Entity as long as the debt owed under the Authority's promissory note to such Entity remains unpaid, even if any Entity has satisfied its bond obligation with respect to the Restructured Indebtedness, provided that, once the Authority has satisfied its debt under the promissory note to any Entity, the Authority shall not be required to deliver to such Entity its portion of the payments set forth in (b) and (c) above.

Now therefore, Be it Resolved and for consideration as expressed and provided above from the Entities, and each of them, the receipt and sufficiency of which is expressly acknowledged, the Authority does agree as follows:

1. Provided that the governing bodies of each Entity pass the Joint Resolution and Agreement identified on the attached Exhibit "A," the Authority does grant to the Entities, and each of them, by and through their Mayors and Commission Chairman, the right to: (a) preview and pre-approve any listing agreement with any real estate or like broker as to the Facilities; (b) preview and pre-approve any offers to purchase or purchase agreements (including leases of over twenty (20) years) as to the Facilities; and (c) preview and pre-approve any offers to lease or lease agreements, all of said rights relating to the Facilities, either all or less than all of the Facilities, as long as the Authority is indebted to such Entity under the promissory note to it as provided herein, but subject to the provision that all decisions as to whether to execute a listing agreement or lease or sell the Facilities, either all or less than all of the Facilities, must be approved by a three-fourths (3/4<sup>th</sup>) vote as between

2

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the Mayor of Andalusia, the Mayor of Opp, the Chairman of the Covington County Commission and the Chairman of the Authority.

The Authority understands and agrees that the respective Chairman of the Authority, Mayors and County Commission Chairman will have to consult with their respective governing bodies from time to time concerning the subject matter of this section 1, but the Authority passes this Resolution upon the agreement that the respective Chairman of the Authority, Mayors and County Commission Chairman shall provide their respective vote by email or other writing delivered to the Executive Director of the Authority within ten (10) days of emailed notice to them (it is agreed by the Authority that it shall have the responsibility to obtain and maintain the correct email addresses for the respective Chairman of the Authority, Mayors and County Commission Chairman and that all emailed votes shall be sent to the Authority's Executive Director email address). If for any reason email notification is impossible, then hand delivery of said notice shall be permitted and accomplished and the aforesaid ten (10) day period shall apply from when notice is so delivered. The Authority agrees if said respective Chairman of the Authority, Mayors and County Commission Chairman, all or less than all, fail to vote within said time period, then said failure to vote prior to the expiration of said ten (10) days shall equate to a "No" vote. Neither the Chairman of the Authority, nor as provided in Exhibit "A," any Mayor or Commission Chairman, shall unreasonably withhold his/hers/its affirmative vote as to any leasing/sale decision.

2. The Authority does hereby fully empower its Chairman to vote or withhold his/her vote on behalf of the Authority as stated in section number 1 above. If for any reason this provision which empowers the Chairman of the Authority to vote or withhold his/her vote as provided in section 1 is deemed ineffective under law for any reason, then the Authority itself will be responsible for voting as provided in section 1 above and covenants, if deemed necessary, to properly ratify any prior or future votes of the Chairman of the Authority.

3. Upon (a) the adoption by each Entity of the Joint Resolution and Agreement (Exhibit A) and (b) the Entities' satisfaction of the Obligations pursuant to the closing of the bonds with respect to the Restructured Indebtedness, the Authority shall execute and deliver to each Entity a promissory note in the amount of each Entities' respective share of the Obligations.

3

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**PAGE THIRTEEN**

4. The Authority irrevocably pledges its full faith and credit to deliver the net proceeds from any approved lease agreements (with "net" meaning the gross lease payment less any amounts required to be paid by the Authority pursuant to the lease agreement or any listing agreement or broker agreement, all as approved in accordance with section 1 above) related to the Facilities, either all or less than all, to the Entities as follows: Andalusia-34%; Opp-23% and Covington County-43%, less five percent (5%) of the gross proceeds of any lease payments from leasing the Facilities, all or less than all, as payment toward the promissory notes of the Authority to each Entity as provided for herein. The 5% retained by the Authority shall be used by the Authority as necessary in its business operations and in its sole and absolute discretion. In the event of a sale of all or less than all of the Facilities, then the Authority irrevocably pledges its full faith and credit to deliver all the net sale proceeds ("net" meaning the gross sales price less any and all normal and customary expenses associated with a sale and the closing of the same, all as approved in accordance with section 1 above) from said sale to the Entities, in accordance with the above-referenced percentages, toward the payment and satisfaction of the debt owed to each under the promissory notes provided for herein.

5. The Authority agrees it shall at all times keep or cause to keep the Facilities properly and sufficiently insured as to casualties and liability events, covering those casualties and liability events as customarily provided by commercial building insurance, and shall name each of the Entities as additional insureds and loss payees, along with the Authority, and shall each year provide certificates of insurance as to the Facilities to each of the Entities.

6. The Authority irrevocably pledges its full faith and credit to continue to pay to the Entities as payment toward the debt owed under each promissory note to the Entities, as provided herein, \$7,000.00 per month, split in accordance with the percentage split stated in section 4 above, that the Authority has heretofore paid toward the 2006B Bond.

7. The Authority and Entities agree that the payments provided in sections 4 and 6 above shall continue to be made by the Authority to any Entity as long as the debt owed under the Authority's promissory note to such Entity remains unpaid, even if any Entity has satisfied its bond obligation with respect to the Restructured Indebtedness, provided that, once the Authority has satisfied its debt under the promissory note to any Entity, the Authority shall not be required to deliver to such

4

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Entity its portion of the payments set forth in sections 4 and 6 above.

7. The Authority acknowledges that the aforesaid agreements stated above are solely granted and made due to the fact that the Entities have agreed to be responsible for the Restructured Indebtedness which is satisfying the Obligations of the Authority as defined and set out above, and solely as additional security to aid in the repayment of the promissory notes of the Authority to each Entity. No Entity is an agent, partner or part of a joint venture of or with the Authority and no Entity are agents, partners or part of a joint venture of any other Entity.

8. The Authority agrees and acknowledges that it and its counsel have participated fully in the review, drafting, and revision of this Resolution with comment and review from each Entity and their respective counsel prior to adoption. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

9. The provisions of this Resolution are considered permanent. Moreover, the provisions of this Resolution are severable. If any section, subsection, provision, term, phrase or word shall be declared to be invalid by judgment or decree of a court of competent jurisdiction, such judgment or decree shall not affect any other section, subsection, provision term, phrase or word of this Resolution.

Passed and Effective this 29<sup>th</sup> day of AUGUST, 2015.

South Alabama Regional Airport Authority

[Signature]  
Board Member

[Signature]  
Board Member

[Signature]  
Board Member

[Signature]  
Board Member

5

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**PAGE FOURTEEN**

Councilmember Powell moved to approve the Joint Resolution and Agreement. Councilmember Sconiers seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015 – 39, BANCORPSOUTH EQUIPMENT FINANCE:**

Mayor Johnson presented Resolution 2015 – 39, BancorpSouth Equipment Finance to the council.

**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION 2015 – 39**

**RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF AN  
CONTRACT WITH BANCORPSOUTH EQUIPMENT FINANCE, A  
DIVISION OF BANCORPSOUTHBANK**

**WHEREAS**, Mayor and City Council, the Governing Body (the "Governing Body") of City of Andalusia, Alabama (the "Buyer"), acting for and on the behalf of the Buyer hereby finds, determines and adjudicates as follows:

1. The Buyer desires to enter into an Contract with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Contract") with BancorpSouth Equipment Finance, a division of BancorpSouth Bank ("Seller") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment").

2. It is in the best interest of the residents served by Buyer that the Buyer acquire the Equipment pursuant to and in accordance with the terms of the Contract; and

3. It is necessary for Buyer to approve and authorize the contract.

4. The Buyer desires to designate the Contract as a qualified tax-exempt obligation of Buyer for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

**NOW, THEREFORE, BE IT RESOLVED** by this Governing Body for and on behalf of the Buyer as follows:

Section I. The Contract and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Seller and the Buyer is hereby approved, and Earl V. Johnson (the "Authorized Officer") is hereby authorized and directed to execute said Contract on behalf of the Buyer.

Section 2. The Delivery Order is being issued in calendar year 2015.

Section 3. Neither any portion of the gross proceeds of the Contract nor the Equipment identified to the Contract shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

**PAGE FIFTEEN**

Section 4. No portion of the rental payments identified in the Contract (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Buyer) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Contract are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. Buyer hereby designates the Contract as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code.

Section 7. In calendar year 2015, Buyer has designated \$293,844.52 tax-exempt obligations (including the Contract) as qualified tax-exempt obligations. Including the Contract herein so designated, Buyer will not designate more than \$10,000,000 of obligations issued during calendar year 2015 as qualified tax-exempt obligations.

Section 8. Buyer reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Buyer during calendar year 2015 will not exceed \$10,000,000.

Section 9. For purposes of this resolution, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations including tax-exempt obligations issued by all entities deriving their issuing authority from Buyer or by an entity subject to substantial control by Buyer as provided in Section 265(b)(3) of the Code.

Section 10. The Authorized Officer is further authorized for and on behalf of the Governing Body and the Buyer to do all things necessary in furtherance of the obligations of the Buyer pursuant to the Contract, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

Following the reading of the foregoing resolution, Councilmember Powell moved that the foregoing resolution be adopted. Councilmember Sconiers seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

_____	Voted: _____

The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted this 4<sup>th</sup> day of August, 2015.

**PAGE SIXTEEN**

CITY OF ANDALUSIA, ALABAMA

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

ATTEST:

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

Councilmember Powell moved to approve Resolution 2015-39. Councilmember Sconiers seconded the motion which passed unanimously.

**ADJOURNMENT:**

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

**THE CITY OF ANDALUSIA, ALABAMA**

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

ATTEST:

\_\_\_\_\_  
**John Thompson City Clerk – Treasurer**