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**STATE OF ALABAMA  
COUNTY OF COVINGTON**

**ANDALUSIA, ALABAMA  
ANDALUSIA CITY HALL  
NOVEMBER 2, 2015**

**REGULAR WORK SESSION MEETING**

**PRESENT:**

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

**ABSENT:**

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

**APPROVAL OF MINUTES:**

Mayor Johnson presented the minutes from the regular meeting, October 20, 2015. Councilmember Mount moved to approve the minutes, with corrections. Councilmember Powell seconded the motion which passed unanimously.

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**COUNCIL APPROVES APPROPRIATION FROM CAPITAL IMPROVEMENT ACCOUNT:**

Mayor Johnson presented a request from the public works director for a new loader. Councilmember Wells moved to appropriate \$165,164 from the capital improvement account to purchase the loader. Councilmember Powell seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015-60, ABATEMENTS:**

Mayor Johnson presented Resolution 2015-60, Abatements to the council.

**CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015-60**

**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) 305 Broughton Ave. | parcel # 1304183006010000 |
| 2) 305 Woodruff St.   | parcel # 1304181004018000 |
| 3) 23670 AL Hwy 55    | parcel # 1309293001023000 |

**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 2<sup>nd</sup> day of November, 2015

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**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

Councilmember Griffin moved to approve Resolution 2015-60. Councilmember Mount seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2015-61, COSTS OF ABATEMENTS:**

Mayor Johnson presented Resolution 2015-61, Costs of Abatements to the council.

**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015-61**

**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 119 Faulkenberry St., parcel# 1304192005011000, 208 Hand Ave., parcel# 1304171007016000, 210 Lori Lane Empty Lot, parcel# 1309292002025000, 304 Madison Ave., parcel# 1304183004016000:

**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:

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Owner: Austin Hunter Pettie c/o Carolyn Pettie  
Parcel: 1304192005011000  
Description: 119 Faulkenberry St.  
Total Cost of Abatement: \$55.08

Owner: William R. & Cynthia L. Norwood  
Parcel: 1304171007016000  
Description: 208 Hand Ave.  
Total Cost of Abatement: \$55.08

Owner: Donald B. Morrison c/o Hansel Prescott  
Parcel: 1309292002025000  
Description: 210 Lori Lane Empty Lot  
Total Cost of Abatement: \$55.08

Owner: L.V. & Elsie J. Comans c/o Cathy Griffin  
Parcel: 1304183004016000  
Description: 304 Madison Ave.  
Total Cost of Abatement: \$ 70.68

**ADOPTED AND APPROVED** this 2<sup>nd</sup> day of November, 2015.

**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

Councilmember Powell moved to approve Resolution 2015-61. Councilmember Sconiers seconded the motion which passed unanimously.

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**COUNCIL APPROVES ABC LICENSE FOR VINNY’S FOUR:**

Mayor Johnson presented an application from Vinny’s Four for a 050-Retail Beer (Off Premises Only) and 070-Retail Table Wine (Off Premises Only) license from the Alabama Alcoholic Beverage Control Board. Councilmember Mount moved to approve the application and Councilmember Wells seconded the motion. Mayor Johnson called for a vote which produced the following results:

**YES**

Mayor Johnson  
Councilmember Sconiers  
Councilmember Wells

**NO**

None

**ABSTAINED**

Councilmember Griffin  
Councilmember Powell  
Councilmember Mount

**COUNCIL APPROVES RESOLUTION NO. 2015-63, AIRPORT INFRASTRUCTURE INTERIM FINANCING PROJECT :**

Mayor Johnson announced that the City of Andalusia, the City of Opp and Covington County were independently financing economic development infrastructure at the South Alabama Regional Airport and that Amendment 725 to the Constitution of the State of Alabama allowed the city to participate in such an arrangement. Mayor Johnson added that proper notice had been given in the Andalusia Star News that the arrangement would be considered by the council at this time both on an interim basis and later on a permanent basis. Mayor Johnson then asked if anyone desired to speak or ask questions about the project. Hearing none, Mayor Johnson asked the council to consider Resolution No. 2015 – 63, authorizing an interim arrangement with PNC Bank.

**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2015 - 63**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF  
A \$3,811,887.60 CITY OF ANDALUSIA, ALABAMA  
GENERAL OBLIGATION WARRANT, 2015**

**BE IT RESOLVED** by the City Council (the “Council”) of the City of Andalusia, Alabama (the “City”), as follows:

**Section 1. Findings.** Having made due and proper investigation of the matters hereinafter referred to, the Council has ascertained and does hereby find and declare that the following facts are true and correct:

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- (a) In order to provide temporary financing to the City for the repayment of a portion of the obligation of the South Alabama Regional Airport Authority (formerly known as the Andalusia-Opp Airport Authority), and the refinancing of a loan with PNC Bank in the outstanding principal amount of \$2,341,887.60, a loan with Covington Electric Cooperative in the outstanding principal amount of \$110,133.08, Series 2006-A Bonds in the outstanding principal amount of \$1,245,000 and Series 2006-B Bonds in the outstanding principal amount of \$225,000 (collectively, the "Outstanding Indebtedness"), it is necessary that the City borrow the sum of \$3,811,887.60;
- (b) In order to obtain such funds, it is necessary, advisable and in the interest of the public that the City borrow such funds from PNC Bank, National Association (the "Bank") and to issue the Warrant hereinafter authorized as evidence of its obligation to such Bank; and
- (c) In order to provide for certain terms and conditions with respect to the loan evidenced by such Warrant, it is necessary, advisable and in the interest of the public that the City enter into a Financing Agreement with the Bank (the "Financing Agreement").

**Section 2. Authorization of Warrant.** 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, and for the purpose of providing the funds necessary to refinance the Outstanding Indebtedness described in Section 1(a) hereof, [to pay the costs of issuance thereof,] and for no other purpose, there is hereby authorized to be issued by the City its \$3,811,887.60 General Obligation Warrant, 2015 (the "Warrant"). The Warrant shall be dated the date of its delivery.

**Section 3. Source of Payment; Security.** The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged. The City further agrees that, so long as the Warrant remains outstanding and any portion thereof remains unpaid, and to the full extent of the City's power to do so under the constitution and laws of the State of Alabama, the City will continue to collect and enforce taxes to the extent necessary to pay the principal of and interest on the Warrant.

**Section 3. Creation of Warrant Fund.** There is hereby created a special trust fund of the City, the full name of which shall be "City of Andalusia, Alabama Warrant Fund, 2015." The Bank shall be and remain the Depository for the Warrant Fund. The monies in the Warrant Fund shall be used to pay the principal of and interest on the Warrant as the same shall become due and payable. There shall be paid into the Warrant Fund, on or before the last business day preceding any date on which a payment of principal of or interest on the Warrant is due, an amount which, when added to the amount then on deposit therein, will equal the principal of (if any) and interest on the Warrant coming due on such payment date.

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All monies on deposit in the Warrant Fund shall be used for payment of the principal of and interest coming due on the Warrant.

The Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Warrant Fund is herein created. The Depository for the Warrant Fund shall at all times keep the monies on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the Holder of the Warrant.

**Section 5. Registration and Transfer of Warrant.** The Warrant shall be fully registered as to both principal and interest in the name of the owner on registration books to be maintained for that purpose by the City, as registrar with respect to the Warrant. No transfer of the Warrant shall be valid unless made at the written request of the registered owner or his legal representative, noted on said registration books and similarly endorsed thereon. The registrar shall not be required to transfer or exchange the Warrant during the fifteen (15) calendar days next preceding any date on which the principal of or interest on the Warrant is due to be paid, or the date on which the Warrant or any portion thereof has been called for redemption.

**Section 6. Authorization of Financing Agreement.** The execution and delivery by the City of the Financing Agreement is hereby authorized. The Financing Agreement shall encompass the terms set forth by the PNC Proposal presented at the meeting at which this Resolution is adopted, a copy of which is attached hereto as Exhibit A.

**Section 7. Authorization.** The Mayor and Clerk of the City are hereby authorized and directed to execute and deliver the Warrant to PNC Bank, National Association.

**Section 8. Draws Against Proceeds.** The Mayor is hereby authorized to sign such requisition or other document as shall be necessary in order to draw proceeds of the Warrant as provided in the Financing Agreement, in such amounts as shall be necessary to (a) refinance the Outstanding Indebtedness and (b) pay costs of issuance of the Warrant.

**Section 9. Contractual Provisions.** The provisions of this Resolution shall constitute a contract between the City and the Holder of the Warrant. Upon payment in full of the principal of and interest on the Warrant, the obligations of the City hereunder shall cease.

**Section 10. Severability.** The various provisions of this Resolution are hereby declared to be severable. In the event any provisions hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Resolution.

**Section 11. Effective Date.** This Resolution shall become effective immediately upon its adoption or otherwise as shall be required by State law.

The Mayor thereupon announced that the motion for the adoption of said Resolution had been carried.

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\* \* \* \* \*

There being no further business to come before the meeting the same was, on motion duly made and adopted, adjourned.

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

\_\_\_\_\_  
City Clerk – Treasurer

**CLERK'S CERTIFICATE**

I, John M. Thompson, Clerk of the City of Andalusia, Alabama (the "City") DO HEREBY CERTIFY that the foregoing pages of typewritten Excerpts of Minutes pertaining to the \$3,811,887.60 in principal amount City of Andalusia, Alabama General Obligation Warrant, 2012 constitute a true and correct copy of proceedings related to the City's Resolution unanimously adopted on November 2, 2015, by the City Council in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said minutes appears on record in the Minute Book of the City which is in my custody and control.

Given under my hand and the seal of the City of Andalusia, Alabama this \_\_\_\_ day of November, 2015.

(SEAL)

\_\_\_\_\_  
Clerk, City of Andalusia, Alabama

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FINANCING AGREEMENT

Between

CITY OF ANDALUSIA, ALABAMA

and

PNC BANK, NATIONAL ASSOCIATION

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated November 12, 2015, entered into by the CITY OF ANDALUSIA, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association (the "Lender").

Recitals

Simultaneously with the execution and delivery of this Agreement, the City has issued its \$3,811,887.60 General Obligation Warrant, 2015 (the "Warrant"). The proceeds of the Warrant will be used to refinance certain outstanding indebtedness of the City, as described in the Resolution hereinafter described. Pursuant to this Agreement, the Lender has agreed to make a loan (the "Loan") to the City in the amount of \$3,811,887.60 to provide the financing described above. The City's obligation to repay the Loan will be evidence by the Warrant.

The terms of the Warrant are described in the City's Resolution adopted by the City Council of the City on November 2, 2015, authorizing the issuance of the Warrant and this Financing Agreement (the "Resolution") and in the Proposal of PNC Bank, National Association, dated October 29, 2015.

In order to provide for periodic advances of the principal amount of the Warrant and for the other purposes set forth herein, the parties have agreed to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

**Section 1. Agreement to Make the Loan**

Upon the terms and conditions in the Resolution, the Lender hereby agrees to lend to the City, and the City hereby agrees to borrow from the Lender, \$3,811,887.60. The City's obligation to repay the Loan shall be evidenced by the Warrant in the principal amount of \$3,811,887.60. The Warrant shall bear interest at the rate per annum and shall be payable on the dates indicated in the form of the Warrant attached hereto as Exhibit A. Principal of the Warrant shall be payable as described in the form of the Warrant.

The Loan and the Warrant are and shall be a general obligation of the City payable from the sources described in the Resolution and the Warrant.

**Section 2. Representations and Warranties**

(a) Representations and Warranties by the City. The City hereby represents and warrants to the Lender as follows:

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(1) The City is a municipal corporation duly organized and existing under the general laws of the State of Alabama, with full power to accept the Loan, to enter into this Financing Agreement and to issue the Warrant.

(2) The City has duly adopted the Resolution and has thereby authorized the acceptance of the Loan, the execution and delivery of this Financing Agreement and the issuance of the Warrant. This Financing Agreement constitutes, and when issued and delivered the Warrant will constitute, the legal, valid and binding obligations of the City enforceable against it in accordance with the terms of each such instrument, except as enforcement thereof may be limited by (i) bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, including the exercise of judicial discretion in appropriate cases.

(3) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the City, threatened against the City to (i) restrain or enjoin the issuance of the Warrant or the execution and delivery by the City of this Financing Agreement, or (ii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial position of the City.

(4) The financial statements provided to the Lender by the City are complete and correct and fairly represent the financial condition of the City. There have been no material adverse changes in the business, properties or financial condition of the City, whether or not arising in the ordinary course of business, since the date of such financial statements; the City has not defaulted in the payment of the principal of or the interest on any of its outstanding indebtedness; and, since the date of the most recent financial statements furnished to the Lender, except in the ordinary course of business, the City has not incurred any material liabilities or obligations, direct or contingent, or entered into any transactions material to the City, in any case which would have a material adverse effect upon the financial condition of the City.

(5) The City's Fiscal Year commences on October 1 and ends on September 30.

(b) Representations and Warranties by the Lender. The Lender represents and warrants to the City as follows:

(1) The Lender is acquiring the Warrant for its own account as evidence of a loan in the ordinary course of its commercial banking business and has no present intention of reselling or disposing of the Warrant or engaging in any "distribution" thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder).

(2) The Lender is familiar with the operations and financial condition of the City based upon information available to the Lender and has made such inquiries as it deems appropriate in connection with making the Loan and acquiring the Warrant, and is capable of evaluating the merits and risks of making the Loan and acquiring the Warrant.

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(3) The Lender has made its own independent evaluation of the creditworthiness of the City and that it has been provided with or permitted access to all information it has deemed material to formulating its decision to make the Loan and acquire the Warrant. The Lender acknowledges that no official statement or other offering document has been or will be prepared in connection with the issuance of the Warrant and that, except as provided in this Financing Agreement, the City has not undertaken to provide any “continuing disclosure” under Rule 15c2-12 of the United States Securities and Exchange Commission.

(4) The Lender is aware that there may be no secondary market for the Warrant and that it may be required to hold the Warrant until maturity, although it reserves the right at all times to control the disposition of its assets, including the Warrant, and reserves the right to sell, assign and transfer the Warrant; provided, however, that no public offering of all or any portion of the Warrant, or of any interest therein, shall be made and the Lender shall comply with all federal and state laws relating to the sale of securities.

**Section 3. Covenants of the City**

(a) During the term of the Warrant, the Lender shall be provided with such financial information regarding the City as Lender may reasonably request, including but not limited to annual audited financial statements promptly upon approval thereof by the City Council.

(b) The City shall permit Lender and any of its authorized representatives, and shall cause such persons and entities to be permitted to visit, examine, inspect and make extracts from books and records of the City and shall discuss with Lender or its representatives the affairs, finances and accounts of the City at such reasonable times and as often as may be reasonably requested.

**Section 4. Closing; Advances of Loan Amount**

(a) Subject to the conditions described below, not later than 2:00 p.m. (Andalusia, Alabama time) on the Closing Date, the City will deliver the Warrant to the Lender in definitive form, duly executed and authenticated, together with the other documents required by this Section 5; and the Lender will accept such delivery and will fund the Loan in one or more advances in a total amount not to exceed \$3,811,887.60, for the account of the City, in accordance with the terms and conditions hereinafter set forth. Such amount shall be advanced upon receipt by the Lender of a Certificate, in substantially the form attached hereto as Exhibit B, at the office of the Lender shown on such Certificate, delivered by U.S. Mail, by hand or by electronic delivery. Each such Certificate shall be signed by the Mayor or other duly authorized officer of the City. All amounts advanced pursuant to this Agreement shall be deposited in immediately available funds in the City’s account maintained by it with the Lender.

(b) The Lender’s obligation to fund the Loan and to accept and pay for the Warrant shall be subject to receipt of the following documents on or prior to the Closing Date:

(1) Resolution. A certified copy of the Resolution, together with a certificate of the City Clerk of the City to the effect that the Resolution is in full force and effect and has not been modified or amended since the date of its adoption.

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(2) Warrant. The properly executed, authenticated and delivered Warrant, in substantially the form attached hereto as Exhibit A.

(3) Financing Agreement. A duly executed and delivered counterpart of this Financing Agreement.

(4) Opinion of City Attorney. An opinion of the City Attorney of the City in form and substance satisfactory to the Lender, addressed to the Lender and dated the Closing Date.

**Section 5. Events of Default**

(a) Each of the following shall be an "Event of Default" hereunder:

(1) any representation or warranty made herein, or in connection herewith or with the Warrant or Loan shall prove to be, or have been, false or misleading in any material respect;

(2) default in the payment of the principal of or any interest on the Warrant, as and when due and payable;

(3) the occurrence of any Event of Default or default under, or any default in the due observance or performance of any other term, covenant, condition or agreement on the part of the City to be observed or performed pursuant to the provisions of this Agreement, the Resolution and the Warrant, or any other agreement between the City and Lender;

(4) the City shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of the City or any of its respective properties or assets, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against the City in any proceeding under any such law or if any action whatsoever shall be taken for the purpose of effecting any of the foregoing;

(5) an order, judgment or decree shall be entered without the application, approval or consent of the City by any court of competent jurisdiction, approving a petition seeking reorganization or liquidation of the City, or of all or any part of its respective properties or assets, or appointing a receiver, trustee or liquidator of the City;

(6) the dissolution or liquidation of the City.

(b) Upon the occurrence of any such Event of Default, the Lender shall have all such rights and remedies as shall be available under law or in equity, including, without limitation, the right of injunctive relief and specific performance and the right to a writ of mandamus to enforce the obligations of the City hereunder.

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**Section 6. Miscellaneous**

- (a) Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
  
- (b) Governing Law. This Financing Agreement and the rights and obligations of the City and the Lender shall be governed by and construed in accordance with the laws of the State of Alabama.
  
- (c) Waiver of Jury Trial. NEITHER THE CITY NOR THE LENDER SHALL SEEK A JURY TRIAL IN ANY ACTION BASED UPON OR ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT, THE WARRANT, OR THEIR DEALINGS OR RELATIONSHIPS WITH EACH OTHER RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE CITY AND THE LENDER HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL AND AGREES THAT NO SUCH ACTION WITH RESPECT TO WHICH A JURY TRIAL HAS BEEN WAIVED SHALL BE SOUGHT TO BE CONSOLIDATED WITH ANY OTHER ACTION WITH RESPECT TO WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED.

**IN WITNESS WHEREOF**, the City and the Lender have caused this Agreement to be executed and delivered by their duly authorized officers or agents.

PNC BANK, NATIONAL ASSOCIATION

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

Title: \_\_\_\_\_

CITY OF ANDALUSIA, ALABAMA

(SEAL)

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

ATTEST:

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

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**EXHIBIT A**

**Form of Warrant**

UNITED STATES OF AMERICA  
STATE OF ALABAMA  
CITY OF ANDALUSIA, ALABAMA  
GENERAL OBLIGATION WARRANT, 2015

The CITY OF ANDALUSIA, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"), for value received, hereby acknowledges that it is indebted in the principal sum of THREE MILLION EIGHT HUNDRED ELEVEN THOUSAND EIGHT HUNDRED EIGHTY-SEVEN AND 60/100 DOLLARS (\$3,811,887.60) and hereby directs its Clerk to pay (but solely out of the Warrant Fund referred to below) such principal sum to PNC BANK, NATIONAL ASSOCIATION (the "Bank"), or registered assigns, and to pay (but solely out of the Warrant Fund) interest on such principal sums drawn hereunder from the date of such draws until such principal sum shall become due and payable on the 1<sup>st</sup> day of each month, commencing December 1, 2015. The interest on the outstanding principal hereof shall be paid at the per annum rate equal to the "LIBOR Monthly Floating Rate" (as hereinafter defined) plus 150 basis points, calculated on the basis of a 365-day year, applied to the actual number of days upon which principal is outstanding, by multiplying the product of the principal amount and the applicable rate by the actual number of days elapsed, and dividing by 365. As used herein the "LIBOR Monthly Floating Rate" is a fluctuating rate of interest which can change on each banking day and will be the rate of interest per annum determined by the Bank based on the rate for United States dollar deposits for delivery of funds for one (1) month as quoted on Bloomberg screen US000IM at approximately 11:00 a.m., London time, or, for any day not a London Business Day, the immediately preceding London Business Day (or if not so reported, then as determined by Bank from another recognized source or interbank quotation). "London Business Day" means any day that is a day for trading by and between banks in Dollar deposits in the London interbank market.

The entire unpaid principal of this Warrant shall be payable on March 31, 2016.

Upon any failure to make a payment due hereunder as and when due, or the occurrence and continuance of an "Event of Default" under the Financing Agreement (as hereinafter defined), interest hereon shall accrue at a floating rate equal to 3% per annum over the Bank's Base Rate. For purposes of this Warrant, the Bank's Base Rate is the highest of (i) the Bank's Prime Rate, as announced by the Bank from time to time, (ii) Daily LIBOR plus 100 basis points (1.0%), (iii) the Federal Funds Rate plus 50 basis points (0.5%). The Daily LIBOR and the Federal Funds Rate shall, for purposes of this paragraph, be determined by the Bank by reference to such sources as are generally relied upon by financial institutions for the purpose of determining each such rate.

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The principal and interest so payable, and punctually paid or duly provided for on any payment date will, as provided in the Resolution adopted by the City Council of the City on November 2, 2015 (the "Warrant Resolution"), be paid to the person in whose name this Warrant is registered at the close of business on the last business day prior to such payment date. Pursuant to the Warrant Resolution the City also authorized the execution and delivery of a Financing Agreement between the City and the Bank (the "Financing Agreement").

Payment of principal of or interest on this Warrant due on each payment date shall be made by check or draft mailed by the City to the person entitled thereto at its address appearing in the Warrant Register maintained with respect to the Warrants. Such payments of principal and interest shall be credited on the date received by the holder hereof but shall be deemed timely made if so mailed on the payment date or, if such payment date is not a date on which banks are open for business, on the next such day next following such payment date. Payment of the final installment of principal of and interest on this Warrant shall be made only upon surrender of this Warrant to the City. All such payments shall be made in such coin or currency of the United States of America as at the time of payment as legal tender for the payment of public and private debts.

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City, for the payment of the principal of and interest on which the full faith and credit of the City have been irrevocably pledged. The City hereby covenants and agrees that so long as this Warrant is outstanding it will levy and collect such taxes as are permitted under the Constitution and laws of the State of Alabama to the extent necessary to pay the principal hereof and interest hereon.

This Warrant is subject to prepayment at any time, upon prior written notice to the Holder not less than thirty (30) days prior to the date of prepayment, in whole or in part, at a prepayment price equal to the principal amount to be prepaid plus all interest accrued hereon to the date of prepayment. Any partial prepayment shall be in a principal amount of \$100,000 and increments of \$25,000 in excess thereof.

This Warrant is nonnegotiable and is transferable only by a transfer duly executed by the person in whose name this Warrant is registered on the registry books of the Clerk of the City. Each Holder hereof, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that this Warrant may be transferred only in accordance with the provisions hereof. Without limiting the generality of the foregoing, each Holder hereof takes this Warrant subject to any prepayments and to the terms of the Financing Agreement.

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description; that this Warrant has been registered in the manner provided in the Warrant Resolution; that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to the issuance of this Warrant exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this

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Warrant, together with all other indebtedness incurred by the City, was at the time the same was created and is now within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed in its behalf by its Mayor and by the City Clerk and has caused the seal of the City to be impressed hereon, and has caused this Warrant to be dated November 12, 2015.

CITY OF ANDALUSIA, ALABAMA

(SEAL)

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

Attest:

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

\* \* \* \* \*

**REGISTRATION AS CLAIM AGAINST WARRANT FUND**

I hereby certify that this Warrant has been registered by me as a claim against the Warrant Fund referred to in this Warrant.

\_\_\_\_\_  
Treasurer, City of Andalusia, Alabama

**PAGE EIGHTEEN**

ASSIGNMENT

For value received \_\_\_\_\_ hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_ the within Warrant and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_, attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within-mentioned City.

Dated this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guarantee:

\_\_\_\_\_  
(Bank, Trust Company or Fund)

By: \_\_\_\_\_  
(Authorized Officer)

**PAGE NINETEEN**

**EXHIBIT B**

**Form of Draw Certificate**

PNC Bank, National Association  
Attention:

\_\_\_\_\_  
\_\_\_\_\_

Address for electronic delivery:

In accordance with Section 1 of the Financing Agreement dated November \_\_, 2015, by and between the CITY OF ANDALUSIA, ALABAMA, (the "City"), and PNC BANK, NATIONAL ASSOCIATION, (the "Lender"), the undersigned hereby requests from the Purchaser a draw in the amount of \$\_\_\_\_\_ be made on this the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

The City hereby certifies that such amounts are drawn under the City's General Obligation Warrant, 2015 and the aforesaid Financing Agreement.

CITY OF ANDALUSIA, ALABAMA

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

Councilmember Powell moved to approve Resolution 2015 – 63. Councilmember Wells 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**