

**STATE OF ALABAMA  
COUNTY OF COVINGTON**

**ANDALUSIA, ALABAMA  
ANDALUSIA CITY HALL  
JANUARY 5, 2016**

**REGULAR WORK SESSION MEETING**

**PRESENT:**

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

**ABSENT:**

Will Sconiers, Councilmember  
Terry Powell, Councilmember

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  
Ralph Wells, Councilmember  
Kenneth C. Mount, Councilmember  
Hazel Griffin, Councilmember  
Mark Christensen, City Attorney

**ABSENT:**

Terry Powell, Councilmember  
Will Sconiers, Councilmember

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

**APPROVAL OF MINUTES:**

Mayor Johnson presented the minutes from the regular meeting, December 15, 2015. Councilmember Mount moved to approve the minutes. Councilmember Wells seconded the motion which passed unanimously.

**COUNCIL APPROVES RESOLUTION NO. 2016-01 COSTS OF ABATEMENT OF PROPERTIES:**

Mayor Johnson presented Resolution No. 2016-01, Costs of Abatement of Properties to the council.

**THE CITY OF ANDALUSIA  
ANDALUSIA, ALABAMA**

**RESOLUTION NO. 2016-01**

**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 101 Williams St., Parcel # 1304202201018000, 216 Crescent St., Parcel # 1304184403012001, 220 Crescent St., Parcel # 1304184403011000; 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: Betty Sue Hurst c/o Betty Blocker  
Parcel: 1304202201018000  
Description: 101 Williams St.  
Total Cost of Abatement: \$55.08

Owner: Tyson William Dorvee  
Parcel: 1304184403012001  
Description: 216 Crescent St.  
Total Cost of Abatement: \$52.68

Owner: David Shannon Nelson  
Parcel: 1304184403011000  
Description: 220 Crescent St.  
Total Cost of Abatement: \$70.68

**ADOPTED AND APPROVED** this 5<sup>th</sup> day of January, 2016

**THE CITY OF ANDALUSIA, ALABAMA**

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

**ATTEST:**

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

Councilmember Griffin moved to approve the resolution. Councilmember Mount seconded the motion which passed unanimously.

**COUNCIL APPROVES STRONGSTEEL OF ALABAMA, LLC LEASE:**

Mayor Johnson presented a lease by and between the City of Andalusia, the Industrial Development Board of the City of Andalusia and StrongSteel of Alabama, LLC, to the council.

**LEASE AGREEMENT**

This Lease Agreement ("the Lease") is entered into on this 17<sup>th</sup> day of December, 2015 by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF ANDALUSIA, a public corporation ("Owner"), which owns the leased premises and hereby assigns the right to manage said property to THE CITY OF ANDALUSIA, ALABAMA, and hereby approves and agrees to be bound by this Lease Agreement, and THE CITY OF ANDALUSIA, ALABAMA, a municipal corporation ("Landlord") and STRONGSTEEL OF ALABAMA, LLC, an Alabama limited liability company ("Tenant").

In consideration of the mutual covenants and agreements of this Lease Agreement ("the Lease"), and other good and valuable consideration, Landlord, with the consent of Owner, demises and Leases to Tenant, and Tenant Leases from Landlord, a Forty Thousand (40,000) square foot building and the surrounding to eight (8) acres of land, more or less, situated in the Andalusia Industrial Park, Covington County, Alabama. The approximately eight (8) acres of land are more particularly described in the survey by Adams Land Surveying which is attached hereto as Exhibit "A" and which is incorporated into this Lease by reference. The building and the land are collectively referred to in this Lease as "the premises" or "the Leased Premises".

**ARTICLE 1**  
**Term of Lease**

1.01. The term of this Lease shall be for five (5) years from the date that this Lease is executed, but the term may be extended pursuant to the conditions set forth below.

1.02. Unless Tenant gives written notice 180 days prior to the end of the Term, then this Lease shall automatically renew for an additional five (5) year term. This Lease shall automatically renew for an additional five (5) year term at the end of any renewal term unless either party gives written notice at least 180 days before the end of the renewal term that the Lease will not be renewed. Any renewal term will be subject to all of the terms and conditions of this Lease.

1.03. This Lease is personal to Landlord and Tenant and was entered into to encourage the location of Tenant in Covington County. It is understood and agreed that should employment by Tenant at the Leased Premises fall below the

required numbers of full-time employees at any time after two (2) years from the execution of this Lease, then Landlord will have the option of terminating this Lease upon ninety (90) days notice to Tenant. Notwithstanding anything above, the parties agree to negotiate in good faith to resolve the employment goal issue.

**ARTICLE 2**  
**Payments**

2.01. Tenant shall pay to Landlord monthly payments of \$5,898.37 throughout the term of the Lease. Notwithstanding the foregoing, Tenant shall pay to Landlord \$25,000.00 contemporaneously with the execution of this Lease, and said \$25,000.00 shall be applied to the first four (4) monthly payments and part of the fifth monthly payment so that nothing further shall be due for the first four (4) months and the amount due for the fifth monthly payment shall be \$4,491.85. Thereafter, from the sixth month through the remainder of the Lease term, the monthly rental shall be the regular amount of \$5,898.37.

a) Tenant will pay all amounts due to Landlord at Andalusia City Hall, Attn: City Clerk-Treasurer, P. O. Box 429, Andalusia, Alabama 36420, or at such other location or locations that Landlord may from time to time designate by written notice to Tenant.

b) All payments are due by the 15<sup>th</sup> day of each month and will be considered late if not paid by the 25<sup>th</sup> of each month. If not paid by the 25<sup>th</sup>, a 5% late charge is due and Tenant will be in default.

2.02. Tenant pledges to invest One Million Dollars (US \$1,000,000.00) in the First year of the Lease and an additional Two Hundred Fifty Thousand Dollars (US \$250,000.00) by the end of the Second year of the Lease for a total cumulative investment of One and a Quarter Million Dollars (US \$1,250,000.00) during the first two years of the lease term, and this pledge is a material condition of this Lease. It is the intention of the parties that Tenant's investment shall be in equipment, machinery, or other capital assets necessary to the manufacturing of the products offered for sale by Tenant to Tenant's customers; non-capital expenditures shall not be considered to count toward the fulfillment of this obligation. It is also expected that within ninety (90) days of execution of this Lease, Tenant will hire at least thirty (30) employees at an average wage of \$15-\$20 per hour. Within one hundred twenty (120) days of execution of this Lease, it is expected that Tenant will hire an additional twenty-five (25) employees at the same average hourly wage.

2.03. Tenant agrees that the Leased Premises are to be used for production, and not merely as a warehouse, and the employment requirements outlined above reflect that intention.

2.04. Landlord agrees that it will act in good faith regarding additional extensions of the Lease if Tenant continues to add employees and agrees to maintain average hourly wages at the levels required above, adjusted for inflation. It is anticipated that the extension terms of the lease agreement will provide for the same monthly rental and will include the same principal points contained in this Lease. If at the end of twenty (20) years (i.e., after the initial lease term and three (3) extensions), Tenant has made all payments required under the Lease and its extensions and has successfully maintained the employment levels, production expectations, and other requirements in the Lease, Tenant may purchase the premises for the sum of One Hundred Dollars (\$100.00), but Tenant must exercise this right of purchase within thirty (30) days of making the final payment under the Lease.

2.05. Landlord and Owner agree that if Tenant desires to purchase the property at any time during the term or extended terms of the Lease, Tenant may do so without any prepayment penalty. The total price will be calculated as \$1,063,540.48 at three percent (3%) per annum from the date of the execution of this Lease, less the amounts that Tenant has previously paid under this Lease. The parties agree to negotiate in good faith regarding any purchase agreements. The parties also agree that if Tenant exercises its purchase rights, whether under this paragraph or under the preceding paragraph, any conveyance to Tenant shall provide that Landlord and Owner shall each have a right of first refusal for any subsequent conveyances of all or part of the premises by Tenant.

2.06. Landlord agrees that if Tenant desires to make further expansion of the building on the Leased Premises to meet expected increased demand for its products and if employment has increased by or exceeded expected levels, then Landlord will consider financing the expansion at its cost.

2.07. Taxes.

(a) In addition to the Lease payments specified above, Tenant will pay in full all real-property taxes, special assessments, and governmental charges of any kind imposed on the premises during the Lease term, including any special assessments imposed on or

against the premises for constructing or improving public works. (However, as long as Owner or Landlord owns the Leased Premises, it is anticipated that the Leased Premises will be exempt from any such taxes.) This additional payment is payable directly to the entity imposing the tax, assessment, or charge at least ten (10) days before the date payment is due. Tenant will provide Landlord with a receipt or other evidence of payment for each tax, assessment, or charge paid as soon as a receipt or other evidence is available to Tenant.

(b) Tenant may, at its own expense, contest any tax or assessment for which it is responsible under the preceding paragraph. Except as provided in following paragraph, Tenant need not pay the tax, assessment, or charge while the contest is pending. Except as provided in (c) below, Tenant may prevent Landlord from paying any tax, assessment, or charge that Tenant is contesting under this subsection, pending resolution of the contest, by depositing with Landlord the full amount of the tax or assessment, plus the amount of any penalty that might be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax or assessment. When the contest is resolved, Tenant may use the money deposited with Landlord to pay any tax or assessment, plus any penalty or interest, due under the final resolution and keep any balance of the deposit. If the deposit is insufficient to pay these amounts, Tenant must immediately pay the balance due to the entity imposing the tax, assessment, or charge.

c) Notwithstanding the preceding paragraph, Landlord may pay--or require Tenant to pay--any tax, assessment, or charge for which Tenant is responsible under (a) above, pending resolution of Tenant's contest of the tax, assessment, or charge, if payment is demanded by the holder of a mortgage on the premises or if failing to pay will subject all or part of the premises to forfeiture or loss.

**ARTICLE 3**  
**Use of Leased Premises**

**3.01. Permits and Hazardous Materials.**

(a) Tenant represents and warrants to Landlord that Tenant intends to use the premises for legal manufacturing purposes and that Tenant has obtained or will obtain any permits required in order to use the Leased Premises for such purposes.

(b) Tenant may not use, or permit the use of, the premises in any manner that results in waste of premises or constitutes a nuisance or for any illegal purpose. Tenant, at its own expense, will comply, and will cause its officers, employees, agents, and invitees to comply, with all applicable laws, ordinances, and governmental rules and regulations concerning the use of the premises, including Hazardous Materials Laws, all governmental rules and regulations, and the Covenants of the Andalusia Industrial Park.

(c) "Hazardous Materials" means any substance, material, or waste that is or becomes regulated by any local governmental agency, the State of Alabama, or the federal government, including, but not limited to, any material or substance that is (i) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq., or listed pursuant to Section 307 of the Clean Water Act, 33 U.S.C. § 1317, (ii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., (iii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., (iv) petroleum, (v) asbestos, and (vi) polychlorinated biphenyls.

(d) "Hazardous Materials Laws" means any federal, state, or local statute, ordinance, order, rule, or regulation of any type relating to the storage, handling, use, or disposal of any Hazardous Materials, the contamination of the environment, or any removal of such contamination, including, without limitation, those statutes referred to in subsection (c).

(e) Tenant covenants and agrees to discharge only domestic waste into Landlord's sewer system. Tenant will not allow any hazardous substances including without limitation, any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic

substances and all other materials defined by or regulated under any Environmental Law, including those defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. 9604 (14), pollutants or contaminants as defined in CERCLA, 42 U.S.C. 9604 (A) (2), or hazardous waste as defined in the Resources Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6903 (5), or other similar applicable Federal or State Laws or regulations, to be generated, released, stored, or deposited over, beneath, or on the Premises or on any structures located on the Premises from any source whatsoever. Tenant further covenants to hold Owner and Landlord harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from Tenant's discharge (either intentional or accidental) of such matters to the soil, air, water, or waste water treatment facility. Owner and Landlord hereby agree to hold Tenant harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from any discharge of such matters occurring prior to the term of this Lease.

3.02. Tenant must permit Landlord and Landlord's agents, servants, and employees, including but not limited to legal counsel and environmental consultants and engineers, access to the premises for the purpose of conducting environmental inspections and sampling during regular business hours, and during other hours either by agreement of the parties or in the event of an environmental emergency. Tenant may not restrict access to any part of the premises, and Tenant may not impose any conditions to access. If Landlord's environmental inspection includes sampling and testing of the premises, Landlord must use its best efforts to avoid interfering with Tenant's use of the premises, and on completion of sampling and testing must repair and restore the affected areas of the premises as made necessary by any sampling and testing.

3.03. EPA and OSHA.

(a) Tenant must promptly supply Landlord with copies of all notices, reports, correspondence, and submissions made by Tenant to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state, or federal authority that requires submission of any

information concerning environmental matters or hazardous materials pursuant to hazardous materials laws.

(b) Tenant must promptly notify Landlord in advance of any scheduled meeting between Tenant and any of the agencies specified in subsection (a).

(c) Tenant must promptly notify Landlord as to any liens threatened or attached against the premises pursuant to any environmental law. If an environmental lien is filed against the premises, Tenant must, within 30 days from the date on which the lien is placed against the premises, and at any rate before the date on which any governmental authority begins proceedings to sell the premises pursuant to a lien, either: (i) pay the claim and remove the lien from the premises; or (ii) furnish either (A) a bond satisfactory to the Landlord in the amount of the claim on which the lien is based, or (B) other security satisfactory to the Landlord in an amount sufficient to discharge the claim on which the lien is based.

**ARTICLE 4  
Repairs and Maintenance**

4.01. Tenant will, throughout the Lease term and any extensions of it, at its own expense and risk, maintain the premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this section must be performed promptly when required and so as not to cause depreciation in the value of the premises.

4.02. If Tenant fails to perform its obligation to repair, replace, or maintain, as set forth in §4.01 above, within a reasonable time after notice from Landlord of the need for the repair, replacement, or maintenance, Landlord may enter the premises and make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. On Landlord's notice to Tenant of the performance and cost of any maintenance, repairs, or replacements under this section, Tenant must immediately reimburse Landlord for any reasonable costs incurred by Landlord under this section, together with interest at the rate of

twelve percent (12%) annually on the sum from the date of the notice until the date paid by Tenant to Landlord.

4.03. Tenant is responsible only for the payment of that portion of any cleanup costs necessary for compliance with Hazardous Materials Laws that arise as a result of Tenant's discharge of hazardous materials on the premises during the Tenant's occupancy of the premises. Landlord is responsible for all other cleanup costs or for ensuring that any other responsible party participate in the cleanup to the extent of its responsibility for a release.

**ARTICLE 5  
Utility Charges**

5.01. Tenant will pay all utility charges including water, sewage, electricity, heat, gas, and telephone, and cable service used in and about the premises during the Lease term. Tenant will pay the charges directly to the utility company or municipality furnishing the service before the charges are delinquent.

5.02. Tenant will pay for all garbage removal from the premises during the Lease term.

**ARTICLE 6  
Alterations, Additions, and Improvements**

6.01. Tenant may not make any alterations, additions, or improvements to the premises without Landlord's prior written consent. Landlord may not unreasonably withhold consent for nonstructural alterations, additions, or improvements. Tenant shall be responsible for the cost of any additions of alterations made by Tenant and shall indemnify Landlord against possible mechanics', laborers', and materialmen's liens upon the Premises as provided below in Article 8.

6.02. All alterations, additions, or improvements made by Tenant will become Landlord's property when this Lease terminates. However, Landlord may require that Tenant remove any alterations, additions, and improvements installed or made by Tenant, and any other property Tenant placed on the premises, when the Lease terminates. If Landlord requires Tenant to remove the alterations, additions, or improvements, Tenant must repair any damage to the premises caused by such removal.

6.03. If any alterations, additions, or improvements to the premises are mandated by legal requirements related to accessibility by persons with disabilities ("accessibility alterations"), Tenant is responsible for making them. This allocation of responsibility for compliance with such legal requirements is a material inducement for the parties to enter this Lease.

6.04. Upon termination of this Agreement, provided all monies due Landlord have been paid, Tenant shall have the right and responsibility to remove all of its personal property, including machinery and equipment, which it has installed or placed on the Premises, which removal shall be accomplished no later than the termination date. Electrical and plumbing facilities, air conditioners and other permanently installed fixtures shall not be considered personal property. Tenant agrees to repair any damage occasioned by reason of such removal or damage caused by Tenant's occupancy. In the event Tenant fails to remove its personal property or to repair any damage done to the Premises by the termination date, Landlord reserves the right to remove and store all such personal property left, at the risk and expense of Tenant, and to make repairs necessary to restore the Premises, with the cost of such repairs to be paid by Tenant.

**ARTICLE 7  
Trade Fixtures**

7.01. Tenant may, at all times, erect or install shelves, bins, machinery, equipment, or other trade fixtures, in, on, or about the premises if Tenant complies with all applicable governmental laws, ordinances, and regulations regarding said fixtures. Tenant may remove all trade fixtures when this Lease terminates, if Tenant is not in default under the Lease and the fixtures can be removed without structural damage to the building. Tenant must repair any damage to the premises caused by removing trade fixtures, and all the repairs must be completed before the Lease terminates. Any trade fixtures not removed by Tenant when this Lease terminates are considered abandoned by Tenant and will automatically become Landlord's property.

7.02. Tenant may erect signs on any portion of the premises, including but not limited to the exterior walls, subject to applicable laws, ordinances, and regulations. Tenant must remove all signs when this Lease terminates and repair any damage resulting from erecting or removing the signs.

**ARTICLE 8  
Mechanic's Liens**

8.01. Tenant will not permit any mechanic's lien, laborer's lien, or materialman's lien or any similar liens to be placed upon the premises or improvements on the premises. Tenant will promptly pay any such lien that is filed on the premises or on improvements located on the premises. If default in payment of the lien continues for 20 days after Landlord's written notice to Tenant, Landlord may, at its option, pay the lien or any portion of it without inquiring into its validity. Any amounts Landlord pays to remove any such lien caused by Tenant to be filed against the premises or improvements on them, including expenses and interest, are due from Tenant to Landlord and must be repaid to Landlord immediately on rendition of notice, together with interest at twelve percent (12%) annually until repaid.

**ARTICLE 9  
Insurance**

9.01. Tenant must, at its own expense during the Lease term, keep all buildings and improvements on the premises insured against loss or damage by fire or theft, with extended coverage, to include direct loss by windstorm, hail, explosion, riot or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the total amount of not less than \$1,000,000.00. The insurance is to be carried by one or more insurance companies licensed to do business in Alabama and approved by Landlord. The insurance policy or policies must name both Landlord and Tenant as insureds and the Industrial Development Board of the City of Andalusia as an additional insured. The policies must provide that any proceeds for loss or damage to buildings or to improvements are payable solely to Landlord, who will use the sum for repair and restoration purposes.

9.02. Tenant, at its own expense, must provide and maintain in force during the Lease term, liability insurance in the amount of \$2,000,000.00. The policy must cover Landlord as well as Tenant with the Industrial Development Board of the City of Andalusia as an additional insured, for any liability for property damage or personal injury arising from Tenant's occupying or Landlord's lease of, or Owner's owning the premises. This insurance is to be carried by one or more insurance companies authorized to transact business in Alabama and approved by Landlord.

9.03. Tenant must furnish Landlord with certificates of all insurance required by this article. If Tenant does not provide the certificates within 30 days after obtaining possession of the Leased Premises, or if Tenant allows any insurance required under this article to lapse, Landlord may, at its option, take out and pay the premiums on the necessary insurance to comply with Tenant's obligations under this article. Landlord is entitled to reimbursement from Tenant for all amounts spent to procure and maintain the insurance, with interest at the rate of twelve percent (12%) annually from the date Tenant received Landlord's notice of payment until reimbursement.

9.04. Tenant must indemnify and hold Landlord and Owner harmless against any claims, demands, damages, costs, and expenses, including reasonable attorney's fees for defending claims and demands, arising from the conduct or management of Tenant's business on the premises or its use of them; from any breach by Tenant of any conditions of this Lease; or from any act or negligence of Tenant, its agents, contractors, employees, subtenants, concessionaires, or licensees in or about the premises. If any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, will defend the action or proceeding by counsel acceptable to Landlord. This section survives the expiration or earlier termination of this Lease.

9.05. Tenant must indemnify, defend, and hold harmless Landlord and Owner from and against all claims, liabilities, losses, damages, and costs, foreseen or unforeseen, including without limitation counsel, engineering, and other professional or expert fees, that Landlord may incur by reason of Tenant's action or inaction with regard to Tenant's obligations under Articles 3 and 4 of this Lease. This section survives the expiration or earlier termination of this Lease.

**ARTICLE 10**  
**Damage or Destruction**

10.01. If the premises, or any structures or improvements on them, are damaged or destroyed by fire, tornado, or other casualty, Tenant must immediately give Landlord written notice of the damage or destruction, including a description of the damage and, as far as known to Tenant, the cause of the damage.

10.02. If the building on the premises is totally destroyed by fire, tornado, or other casualty not the fault of Tenant or any person in or about the premises with Tenant's express or implied consent, or if it is so damaged that rebuilding or repairs cannot reasonably be completed within ninety (90) working days at a cost not to exceed \$2,000,000.00 or the amount of insurance paid for such loss, whichever is less, this Lease will terminate and payments will be abated for the unexpired portion of this Lease, effective as of the date of written notification as provided in §10.01.

10.03. If the building or other improvements on the premises are damaged by fire, tornado, or other casualty not the fault of Tenant or any person in or about the premises with Tenant's express or implied consent--but not to such an extent that rebuilding or repairs cannot reasonably be completed within thirty (30) working days and at a cost not to exceed the amount of insurance paid for such loss this Lease will not terminate except as follows:

(a) If the premises are partially destroyed before the final two (2) months of the Lease term, Landlord must, at its sole cost and risk, proceed immediately to rebuild or repair the damaged buildings and improvements to substantially the condition they were in before the damage. If the damage renders the premises untenantable in whole or in part, the payments payable during the period in which they are untenantable will be adjusted equitably. If Landlord fails to complete the rebuilding or repairs within thirty (30) working days from the date of Tenant's written notification to Landlord of the damage, Tenant may terminate this Lease by written notification to Landlord. Upon the notification, all rights and obligations under this Lease will cease.

(b) If the premises are partially destroyed in the final two (2) months of the Lease term, Landlord need not rebuild or repair them. If Landlord elects not to rebuild or repair and the damage rendered the premises untenantable in whole or in part, Tenant may terminate the Lease or continue it with the payments for the remainder of the Lease period adjusted equitably.

**ARTICLE 11  
Condemnation**

11.01. If, during the Lease term or any extension or renewal of it, all of the premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or are sold to the condemning authority under threat of condemnation, this Lease will terminate, and the payments will be abated during the unexpired portion of this Lease, effective as of the date the condemning authority takes the premises.

11.02. Partial Condemnation.

(a) If less than all, but more than twenty-five percent (25%), of the premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or is sold to the condemning authority under threat of condemnation, Tenant may terminate the Lease by giving Landlord written notice within 30 days after the entity exercising the power of condemnation takes possession of the condemned portion.

(b) If the premises are partially condemned and Tenant fails to exercise the option to terminate the Lease under this section, or if less than twenty-five percent (25%) of the premises is condemned, this Lease will not terminate, but Tenant may, at its sole expense, restore and reconstruct the building and other improvements situated on the premises to make them reasonably tenantable and suitable for the uses for which the premises are Leased. The rental payments payable under Article 2 of this Lease will be adjusted equitably during the expired portion of this Lease.

11.03. Landlord and Tenant are each entitled to receive and retain such separate awards and portions of lump-sum awards as are allocated to their respective interests in any condemnation proceedings. The termination of this Lease will not affect the rights of the respective parties to the awards.

**ARTICLE 12  
Default**

12.01. If Tenant allows a required rental payment to be in arrears more than ten (10) days after the due date thereof, or if Tenant remains in default under any other condition of this Lease for fifteen (15) days after written notice

from Landlord, Landlord may, at its option, without notice to Tenant, terminate this Lease, or, in the alternative, Landlord may reenter and take possession of the premises and remove all persons and property without being considered guilty of any manner of trespass and may relet the premises (or any part of them) for all or any part of the remainder of the Lease term, to a party satisfactory to Landlord and at the monthly payment amount Landlord can secure with reasonable diligence. If Landlord cannot relet after reasonable efforts to do so or if the monthly payment amount is less than the rental payment Tenant was obligated to pay under this Lease (or any renewal of it) plus the expense of reletting, Tenant must pay Landlord the amount of the deficiency.

12.02. All Landlord's rights and remedies under this Article are cumulative, and none will exclude any other right or remedy provided by law or any other provision of this Lease. All the rights and remedies may be exercised and enforced concurrently and whenever occasion for their exercise arises.

12.03. Any waiver by Landlord of a breach of this Lease by Tenant does not constitute a continuing waiver or a waiver of any subsequent breach.

#### **ARTICLE 13**

##### **Inspection by Owner and Landlord**

13.01. Tenant will permit Owner and/or Landlord and its agents, representatives, and employees to enter the premises at all reasonable times for the purpose of inspection or any other purpose necessary to protect Owner's or Landlord's interest in the premises or to perform Landlord's duties under this Lease.

#### **ARTICLE 14**

##### **Assignment and Subletting**

14.01. Assignment and subletting are restricted.

(a) This Lease is personal to Landlord and Tenant and was entered into to encourage the location of Tenant's operation in Covington County. Therefore, Tenant may not sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in it or in the premises or the improvements on them, without Landlord's prior written consent. If Tenant sublets, assigns, encumbers, or otherwise transfers its rights or interests in this Lease or in the

premises or the improvements on them without Landlord's prior written consent, Landlord may, at its option, declare this Lease terminated. If Landlord consents in writing to an assignment, Lease, or other transfer of all or any of Tenant's rights under this Lease, the assignee or subtenant must assume all of Tenant's obligations under this Lease, and Tenant will remain liable for every obligation under the Lease. Landlord may not arbitrarily or unreasonably withhold consent under this section.

(b) As a condition precedent to the Tenant's right to Lease the property or to assign this Lease, the Tenant must, at the Tenant's own expense, fulfill all of Tenant's environmental obligations under Article 3 of this Lease. If this condition is not satisfied, the Landlord must have the right to withhold consent to any proposed Lease or assignment.

14.02. Landlord may assign or transfer any of its interests under this Lease.

**ARTICLE 15  
Miscellaneous Provisions**

15.01. All notices required under this Lease must be given by certified or registered mail, addressed to the proper party, at the following addresses:

**Owner:** THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY  
OF ANDALUSIA  
ATTN: Chairman  
PO Box 667  
Andalusia, AL 36421

**Copy to:** James R. Clifton  
c/o Covington County EDC  
21754 Bill Benton Lane  
Andalusia, AL 36421

**Landlord:** CITY OF ANDALUSIA, ALABAMA  
ATTN: Mayor  
505 East Three Notch Street  
P.O. Box 429  
Andalusia, AL 36420

Copy to: Mark John Christensen  
CHRISTENSEN & CHRISTENSEN  
807 East Three Notch Street  
P.O. Box 507  
Andalusia, AL 36420

**Tenant:** STRONGSTEEL OF ALABAMA, LLC  
ATTN: Anthony Attalla  
1487 Homeport  
Navarre Beach, FL 32566

Copy to: Onno H. Horn  
400 Progress Drive  
Andalusia, AL 36421

Any party may change the address to which notices are to be sent by sending written notice of the new address to the other parties in accordance with of this section.

15.02. This agreement binds and inures to the benefit of the parties to the Lease and their respective, successors, and assigns to the extent permitted by this agreement.

15.03. This agreement is to be construed under Alabama law, and all obligations of the parties created by this Lease are performable in Covington County, Alabama.

15.04. If any of the provisions contained in this agreement are held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provisions of the agreement, which will be construed as if it had not included the invalid, illegal, or unenforceable provision.

15.05. No amendment, modification, or alteration of this agreement is binding unless in writing, dated subsequent to the date of this agreement, and duly executed by the parties.

15.06. If, as a result of either party's breaching this agreement, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the breaching or defaulting party will pay the other party the reasonable attorney's fees and costs incurred to enforce the Lease.

15.07. Neither Landlord nor Tenant is required to perform any term or covenant in this Lease so long as performance is delayed or prevented by *force majeure*, which includes acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, hurricanes, and any other cause not reasonably within Landlord's or Tenant's control and that Landlord or Tenant cannot, by exercising due diligence, prevent or overcome, in whole or part.

15.08. Time is of the essence of this agreement.

15.09. It shall be conditions of this Lease that:

(a) Landlord expressly agrees for itself, its successors and assigns, to prevent any use of the Property which would interfere with or adversely affect the operation or maintenance of the industrial park or interfere with other tenants in the park.

(b) The Covenants for the Andalusia Industrial Park are incorporated herein and are binding upon the Tenant.

15.10. Any disagreement between the parties with respect to the interpretation or application of this Lease or the obligations of the parties hereunder shall be determined by arbitration. Such arbitration shall be conducted, upon request of either Landlord or Tenant, before three (3) arbitrators (unless the parties agree to one arbitrator) designated by the American Arbitration Association in accordance with the rules of such association. The arbitrators designated and acting under this Lease shall make their award in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. The parties shall bear equally the expense of arbitration proceedings conducted hereunder. All such proceedings shall be

conducted in Covington County, Alabama, the county in which the Leased property is located.

15.15. This agreement constitutes the parties' sole agreement and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter, specifically including, but not limited to, the Memorandum of Understanding between Tenant and the Landlord and a prior lease executed in 2012 between Owner, Landlord, and Tenant.

WHEREFORE, the authorized representatives of the Owner, Landlord, and Tenant have executed this Lease on this the \_\_\_\_ day of \_\_\_\_\_, 2015.

(Signatures on Next Page – The Remainder of this Page is Intentionally Blank)

AS OWNER:

THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF ANDALUSIA

By: Ed Short

Ed Short  
Its Chairman

Attest: [Signature]  
Secretary of Finance

AS LANDLORD:

THE CITY OF ANDALUSIA, ALABAMA

By: Earl V. Johnson

Earl V. Johnson  
Its Mayor

Attest: [Signature]  
Clerk

AS TENANT:

STRONGSTEEL OF ALABAMA, LLC

By: Anthony Attala

Anthony Attala  
Its Managing Member

Attest: \_\_\_\_\_  
Secretary

Councilmember Wells moved to approve the lease. Councilmember Griffin 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**