



**CITY OF DAPHNE
1705 MAIN STREET, DAPHNE, AL
CITY COUNCIL BUSINESS MEETING AGENDA
MONDAY, DECEMBER 1, 2025 at 6:00 PM**

1. CALL TO ORDER

A. ROLL CALL

B. INVOCATION - Reverend Thack Dyson, St. Paul's Episcopal Church

C. PLEDGE OF ALLEGIANCE

2. PROCLAMATIONS/RECOGNITIONS/PUBLIC HEARINGS

A. PROCLAMATION: Captain Eric Hayes' Retirement - Fire Department

B. FIRE DEPARTMENT PROMOTIONS: Chase Brewer - Captain
Jameson Kenny - Lieutenant
Grant Everhart - Lieutenant

C. PRESENTATION: IGY6 Gulf Coast

D. NUISANCE ABATEMENT HEARING: 505 Van Avenue

i. Resolution 2025 -77- (Option 1) - Resolution Ordering Demolition of a Building or Structure located at 505 Van Avenue

ii. Resolution 2025 - 77 - (Option 2) - Resolution Taking No Action on a Building or Structure Located at 505 Van Avenue

3. APPROVE MINUTES

A. November 17, 2025 regular meeting

4. REPORTS OF STANDING COMMITTEES

A. FINANCE COMMITTEE - Conaway

Review the minutes from the November 17, 2025 meeting

Treasurer's Report for October 2025 : Unrestricted Fund Balance - \$24,925,490

Total Cash Balance - \$46,385,294

Sales Tax for September 2025: \$2,246,143.53; Lodging tax for September 2025: \$130,374.94

Debt Summary - October 2025: Warrants - \$28,151,132

Capital Leases: General Fund - \$233,344; Enterprise Fund - \$807,456

B. BUILDINGS & PROPERTY COMMITTEE- Messinger

- C. **PUBLIC SAFETY COMMITTEE** - Green
- D. **CODE ENFORCEMENT/ORDINANCE COMMITTEE** - Roberts
 - i. Review the minutes from the October 6th meeting.
- E. **PUBLIC WORKS COMMITTEE** - Coleman

5. REPORTS OF SPECIAL BOARDS & COMMISSIONS

- A. **BOARD OF ZONING ADJUSTMENTS** - Adrienne Jones
- B. **DAPHNE PUBLIC SCHOOL COMMISSION** - Hughes
- C. **DOWNTOWN REDEVELOPMENT AUTHORITY** - Conway
 - i. Review the minutes from the October 16th meeting.
- D. **INDUSTRIAL DEVELOPMENT BOARD** - Coleman
- E. **LIBRARY BOARD** - Olen
- F. **PLANNING COMMISSION** - Olen
 - i. Review the regular minutes of the October 23, 2025 meeting and the report of the November 20, 2025 meeting.
- G. **RECREATION BOARD** - Green
- H. **UTILITY BOARD** - Coleman

6. PUBLIC PARTICIPATION

7. MAYOR'S REPORT

8. CITY ATTORNEY REPORT

9. DEPARTMENT HEAD REPORTS

10. CITY CLERK'S REPORT

- A. **MOTION** to approve the Daphmont Community Mardi Gras Parade on February 14, 2026 from 2:00 - 4:00pm.
- B. **MOTION** to approve the Apollo's Mystic Ladies Parade on February 6, 2026 from 6:45 - 9:30pm with a rain makeup day of February 12, 2026.
- C. **MOTION** to approve the Shadow Barons Parade on February 14, 2026 from 6:45 - 9:30pm with a rain makeup day of February 15, 2026.

- D. **MOTION** to appoint an interim City Clerk and authorize staff to advertise the City Clerk open position.

11. RESOLUTIONS

- A. **2025 - 78** - Resolution to Appoint the Chief of Police
- B. **2025 - 79** - Resolution to Appoint the City Treasurer
- C. **2025 - 80** - Resolution to Appoint the City Attorney
- D. **2025 - 81** - Resolution to Appoint the Fire Chief
- E. **2025 - 82** - Declaring Certain Personal Property Surplus and Authorizing the Mayor to Dispose of such Property-2006 Taurus-V#1138 & 2013 Ford Escape-V#1441
- F. **2025 - 83** - Belrose Avenue Purchase and Development Agreement-S&R Lot and Parking Lot Property

12. 2nd READ ORDINANCES

13. 1st READ ORDINANCES

- A. **2025 - 22** - Ordinance Setting Forth the Authorization of Certain City Officials as Designated Signatories on Various Accounts of the City of Daphne
- B. **2025 - 23** - Hotel Fortuna Project-TFH Daphne 2026-Limited Obligation Project Revenue Warrant-Not to exceed \$8 Million

14. COUNCIL COMMENTS

15. ADJOURN

CITY OF
DAPHNE, ALABAMA

Proclamation

WHEREAS; Captain Eric Hayes was hired on to the City of Daphne Fire Department in 2000 as a Firefighter, where he would remain a vital member of the Daphne Fire Department for the next 25 years; and

WHEREAS; Captain Hayes was instrumental in the growth of the Daphne Fire Department, including growing the department from two Fire Stations to five Fire Stations and from five Firefighters per shift to nineteen per shift; and

WHEREAS; Captain Hayes assisted in starting the Daphne Fire Department's Advanced Life Support program, was one of the first Paramedics employed by the Daphne Fire Department, went on to become a certified Critical Care Paramedic and Flight Paramedic and used those advanced certifications to the benefit of the citizens of Daphne and the Daphne Fire Department's Advanced Life Support program; and

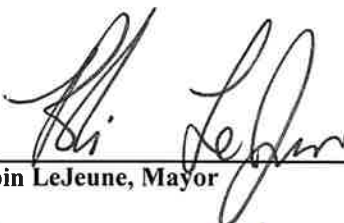
WHEREAS; Captain Hayes assisted in founding the Tactical Medic program and served as a Tactical Medic on the Daphne Police Department's Special Response Team for 14 years; and

WHEREAS; during his tenure with the Daphne Fire Department, Captain Hayes held many additional duties and special assignments to include Assistant EMS Program Administrator, Quality Assurance and Improvement Program Administrator, Public Information Officer, Baldwin County Hazardous Materials Response Team, and responded to Louisiana for Hurricane Katrina disaster relief efforts.

NOW,

THEREFORE; I, Robin LeJeune, as the Mayor of the City of Daphne, Alabama, together with the Daphne City Council, do hereby proclaim appreciation to Captain Eric Hayes for his tireless efforts and twenty-five years of service to the City of Daphne, and wish him success and happiness in his retirement.




Robin LeJeune, Mayor

ATTEST: 
Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-77**

A RESOLUTION ORDERING THE DEMOLITION OF A BUILDING OR STRUCTURE LOCATED AT 505 VAN AVENUE, DAPHNE, ALABAMA, PARCEL ID# 43-04-41-0-005-110.000, IN COMPLIANCE WITH SECTIONS 11-40-30 THROUGH 11-40-36, SECTIONS 11-53B-1 THROUGH 11-53B-16, INCLUSIVE, OF THE CODE OF ALABAMA, AND IN COMPLIANCE WITH ORDINANCE NUMBER 2024-17 OF DAPHNE, ALABAMA; AND CALLING FOR THE CITY TO CAUSE SAID DEMOLITION TO BE PERFORMED AND DIRECTING THE CITY ATTORNEY AND THE CITY CLERK TO CAUSE THE COST OF SUCH DEMOLITION TO BE CHARGED AGAINST THE LAND ON WHICH THE BUILDING OR STRUCTURE EXISTS AS A MUNICIPAL LIEN OR CAUSE SUCH COST TO BE RECOVERED IN A SUIT AT LAW AGAINST THE OWNER OR OWNERS

WHEREAS, the Appropriate Municipal Official of Daphne, Alabama, determined that the condition of the buildings or structures located at **505 Van Avenue**, Parcel I.D. Number **43-04-41-0-005-110.000**, are in such a condition as to make them dangerous to the life, health, property, morals, safety, or general welfare of the public or the occupants;

WHEREAS, contemporaneously with the filing of “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*” on October 15, 2025, a copy of same was sent via certified mail, properly addressed and postage prepaid, to:

A. All persons, firms, associations, or corporations last assessing the subject property for state taxes to the address on file in the Baldwin County Revenue Commissioner’s Office,

B. The record property owner or owners (including any owner or owners of an interest in the subject property) as shown from a search of records of the office the Judge of Probate of Baldwin County, Alabama, at the owner or owners’ last known address and at the address of the subject property,

C. All mortgagees of record as shown from a search of the records of the office of the Judge of Probate of Baldwin County, Alabama, to the address set forth in the mortgage or, if no address for the mortgagee is set forth in the mortgage, to the address determined to be the correct address by the Appropriate Municipal Official,

D. All lien holders of record as shown from a search of the records of the office of the Judge of Probate of Baldwin County, Alabama to the address set forth in the statement of lien or, if no address for the lien holder is set forth in the statement of lien, to the address determined to be the correct address by the Appropriate Municipal Official,

E. Such other persons who are otherwise known to the City Clerk or to the Appropriate Municipal Official who could have an interest in the subject property.

WHEREAS, contemporaneously with the filing of the “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*,” a copy of the same was posted at or within three feet of an entrance to the buildings on the subject property; and

WHEREAS, notice that the Appropriate Municipal Official has made a finding that the subject buildings are dangerous because they are unsafe to the extent that they are a public nuisance and are subject to demolition, and that a public hearing would be held upon written request by any person or entity with an interest in the buildings, was also given to all interested parties.

BE IT RESOLVED by the City Council of the City of Daphne, Alabama, while in regular session on **December 1, 2025**, as follows:

Section 1. A Public Hearing was held on December 1, 2025, at 6:00 p.m. The findings of the Appropriate Municipal Official have been presented to the City Council, and after due deliberation the City Council finds that all the structures standing at **505 Van Avenue**, Alabama, Parcel ID# **43-04-41-0-005-110.000**, are unsafe to the extent of becoming a public nuisance to the citizens of the City and are due to be demolished in compliance with Sections 11-40-30 through 11-40-36 and Sections 11-53B-1 through 11-53B-16, inclusive, of the Code of Alabama (1975), and Ordinance Number 2024-17 of the City;

Section 2. That the City shall cause said demolition to be performed by its own employees and/or by contractor(s); and

Section 3. That the City Attorney and the City Clerk are hereby directed to cause the cost of such demolition to be charged against the land on which the building or structure is located and shall constitute a lien on the property for the amount of the assessment or cause such cost to be recovered in a suit at law against the owner or owners.

ADOPTED this, the 1st day of December, 2025.

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

CERTIFICATION OF CLERK

STATE OF ALABAMA)
BALDWIN COUNTY)

I, Candace G. Antinarella, Clerk of Daphne, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly adopted by the City Council of Daphne, Alabama, on the 1st day of December, 2025.

Witness my hand and seal of office this ____ day of December, 2025.

Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-77**

A RESOLUTION REGARDING THE DEMOLITION OF A BUILDING OR STRUCTURE LOCATED AT 505 VAN AVENUE, DAPHNE, ALABAMA, PARCEL ID# 43-04-41-0-005-110.000, IN COMPLIANCE WITH SECTIONS 11-40-30 THROUGH 11-40-36, SECTIONS 11-53B-1 THROUGH 11-53B-16, INCLUSIVE, OF THE CODE OF ALABAMA, AND IN COMPLIANCE WITH ORDINANCE NUMBER 2024-17 OF DAPHNE, ALABAMA; AND DECIDING NOT TO ORDER DEMOLITION AT THIS TIME

WHEREAS, the Appropriate Municipal Official of Daphne, Alabama determined that the condition of the buildings or structures located at **505 Van Avenue**, Parcel I.D. Number **43-04-41-0-005-110.000**, are in such a condition as to make them dangerous to the life, health, property, morals, safety, or general welfare of the public or the occupants;

WHEREAS, contemporaneously with the filing of “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*” on October 15, 2025, a copy of same was sent via certified mail, properly addressed and postage prepaid, to:

A. All persons, firms, associations, or corporations last assessing the subject property for state taxes to the address on file in the Baldwin County Revenue Commissioner’s Office,

B. The record property owner or owners (including any owner or owners of an interest in the subject property) as shown from a search of records of the office the Judge of Probate of Baldwin County, Alabama, at the owner or owners’ last known address and at the address of the subject property,

C. All mortgagees of record as shown from a search of the records of the office of the Judge of Probate of Baldwin County, Alabama, to the address set forth in the mortgage or, if no address for the mortgagee is set forth in the mortgage, to the address determined to be the correct address by the Appropriate Municipal Official,

D. All lien holders of record as shown from a search of the records of the office of the Judge of Probate of Baldwin County, Alabama to the address set forth in the statement of lien or, if no address for the lien holder is set forth in the statement of lien, to the address determined to be the correct address by the Appropriate Municipal Official,

E. Such other persons who are otherwise known to the City Clerk or to the Appropriate Municipal Official who could have an interest in the subject property.

WHEREAS, contemporaneously with the filing of the “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*,” a copy of the same was posted at or within three feet of an entrance to the building on the subject property; and

WHEREAS, notice that the Appropriate Municipal Official has made a finding that the subject buildings are dangerous because they are unsafe to the extent that they are a public nuisance and are subject to demolition, and that a public hearing would be held upon written request by any person or entity with an interest in the buildings, was also given to all interested parties.

BE IT RESOLVED by the **City Council of the City of Daphne, Alabama**, while in regular session on **December 1, 2025**, as follows:

Section 1. A Public Hearing was held on December 1, 2025, at 6:00 p.m. The findings of the Appropriate Municipal Official have been presented to the City Council and, after due deliberation, without waiver of any future recourse, the City Council finds that there is good cause not to demolish the structures at this time.

ADOPTED this, the 1st day of December, 2025.

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

CERTIFICATION OF CLERK

STATE OF ALABAMA)
BALDWIN COUNTY)

I, Candace G. Antinarella, Clerk of Daphne, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly adopted by the City Council of Daphne, Alabama, on the 1st day of December, 2025.

Witness my hand and seal of office this ____ day of December, 2025.

Candace G. Antinarella, MMC, City Clerk

**November 17, 2025
CITY COUNCIL MEETING
REGULAR BUSINESS MEETING
1705 MAIN STREET
DAPHNE, AL
6:00 P.M.**

1. CALL TO ORDER:

There being a quorum present Council President Ben Hughes called the meeting to order at 6:00pm.

ROLL CALL:

COUNCIL MEMBERS PRESENT: Steve Olen, Tommie Conaway, Ben Hughes, Oliver Roberts, Joel Coleman, Stephanie Messinger and Jennifer Green

Also Present: Patrick Dungan, City Attorney; Mayor LeJeune; Chief Brian Gulsby, Police; Chief Tacon, Fire; Emmie Powell, Library; Troy Strunk, City Development; Andy Bobe, City Engineer; Vickie Hinman, Human Resources; Charlie McDavid, Recreation; Adrienne Jones, Planning; Amber Lue, Junior City Councilmember; Isabella New, Junior City Councilmember; Emma Coleman, Junior City Councilmember; Lakyn Coggin, Junior City Councilmember; Emery Capstraw, Junior City Councilmember; and Jessica Linne, Assistant City Clerk.

INVOCATION/PLEDGE OF ALLEGIANCE:

Invocation was given by Pastor Jonathon Duke, 3 Circle Church.

2. PROCLAMATIONS/RECOGNITIONS/PUBLIC HEARING:

PROCLAMATION: Mayor LeJeune presented a proclamation in honor of the Omega Founders Day.

3. APPROVE THE MINUTES:

The minutes from the October 20, 2025 Regular Meeting and November 3, 2025 Regular Meeting were approved.

4. REPORT OF STANDING COMMITTEES:

A. FINANCE COMMITTEE

Councilwoman Conaway said the minutes from the October 20th meeting were in the packet. She gave for Treasurer's Report for October 2025: unrestricted fund balance - \$25,309,797; total cash balance - \$47,456,173; sales tax for August 2025 - \$2,442,324.26; lodging tax for August 2025 - \$141,445.29; debt summary for September 2025: warrants - \$28,151,132; capital leases: general fund - \$278,731; enterprise fund - \$887,763. She said the next meeting is December 15th at 4:30pm.

B. BUILDINGS & PROPERTY COMMITTEE

Councilwoman Messinger said the October new Construction and Building Report is in the packet and out of that there were 25 certificates of occupancy, 189 permits issued, 14 new residential home permits, totaling \$77,524.20. She said the minutes from the October 13th meeting are in the packet and the next meeting is December 8th at 5:15pm.

C. PUBLIC SAFETY COMMITTEE

Councilwoman Green said the minutes from the October meeting are in the packet and the next meeting is December 8th at 4:30pm.

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE

Councilman Roberts said the next meeting is December 1st at 4:30pm.

E. PUBLIC WORKS COMMITTEE

MOTION by Councilman Coleman to authorize the Mayor to execute an agreement with Shumer Consulting, LLC for consulting services for the Daphne Search and Rescue Facility. No second was needed.

MOTION CARRIED UNANIMOUSLY.

5. **REPORTS OF SPECIAL BOARDS & COMMISSIONS:**

A. **Board of Zoning Adjustments**

**MOTION by Councilwoman Phillips to reappoint Tasha Quinnelly for a 3 year term (November 2025 – November 2028) to the Board of Zoning Adjustments. Seconded by Councilwoman Green.
MOTION CARRIED UNANIMOUSLY.**

B. **Daphne Public School Commission**

C. **Downtown Redevelopment Authority**

Councilwoman Conaway said the next meeting is November 20th at 5:30pm.

D. **Industrial Development Board**

Councilman Coleman said the next meeting is November 19st at 4:30pm.

E. **Library Board**

Councilman Olen said the next meeting is December 11th at 4:30pm.

F. **Planning Commission**

Councilman Olen said the next meeting is November 20th at 5:00pm.

G. **Recreation Board**

Councilwoman Green said the next meeting is January 14th at 6pm.

H. **Utility Board**

Councilman Coleman said the next meeting is December 3rd at 5pm and the minutes from the September 24th meeting are in the packet.

6. **PUBLIC PARTICIPATION:**

Public participation opened at 6:12pm.

Gregg Stallings asked the Council to hold off on the demolition of Daphne Plaza as he is working with someone to take care of the demolition.

Public participation closed at 6:13pm.

7. **MAYOR'S REPORT:**

**MOTION by Councilman Coleman to authorize the Mayor to enter in an agreement with Daphne Utilities to allow test welling on City Property to test for water. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

8. **CITY ATTORNEY REPORT:**

City Attorney said there was a matter for Executive Session should the Council choose to enter into at the end of the meeting.

9. **DEPARTMENT HEAD COMMENTS:**

Chief Gulsby, Police, said he should be receiving the keys for the new additions to the Police Facility and shared there are two graduates from the Police Academy.

**November 17, 2025
CITY COUNCIL MEETING
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Chief Tacon, Fire, gave an update on the baby box and said the Fire Department participated in the “Battle of the Badges” toy drive as well as a food drive at Macedonia Missionary Baptist Church.

Ange Baggett, Marketing/Tourism, said the Civic Center hosted the Alabama League of Municipalities Training recently, the Museum is a collection site for Toys for Tots and updated the Council on upcoming Christmas events.

Emmie Powell, Library, said they are participating in a food drive with “Feeding the Gulf Coast” and shared about upcoming holiday events at the Library including Santa on December 15th.

Bobby Purvis, Public Works, gave updates on the paving and striping projects as well as the soon to be installed speed table on Deer Avenue.

Charlie McDavid, Recreation, said the last Fall tournament was last weekend and gave an update on the Animal Shelter.

Adrienne Jones, Planning, mentioned the upcoming Planning Commission meeting and challenged the Human Resources’ Department in the collection of canned good items and toys to donate to “Feeding the Gulf Coast” and “Toys for Tots”.

Eric Butler, Building, reported on the 905 Daphne Avenue Abatement and said he recommended the Council adopt option 1 of the resolutions.

Andy Bobe, City Engineer, shared with the Council how they can let citizens know to report concerns to his department.

Emma Coleman, Junior Council, said the new Junior Council project is collecting donations for the animal shelter and the next meeting is November 21st at 4:00pm.

10. CITY CLERK’S REPORT:

**MOTION by Councilman Coleman to approve the publication and set a public hearing on January 5, 2026 for the City of Daphne Official Zoning Map. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to approve the 010 – Lounge Retail Liquor – Class I to Le Bouchon LLC located at 1903 Main Street, Suite C, Building 2, Daphne, Alabama. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to approve the publication and set a public hearing on January 5, 2026 for the Rowan Oak PUD Narrative Modification. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

11. RESOLUTIONS:

- A. 2025 - 71 -Declaring Certain Personal Property Surplus and Authorizing the Mayor to Dispose of Such Property - 2000 Freightliner FL80-V#0822/E6-w/2003 Honda Generator, 2015 CAT Generator Model C9-EQ#PD-1, Tables and 2 Wooden Bars on wheels.**
- B. 2025 - 72 - Declaring Certain Personal Property Surplus and Authorizing the Mayor to Donate Such Property - Wacom digital drawing tablets, Pyle digital drum with drumsticks (1), M**

**November 17, 2025
CITY COUNCIL MEETING
REGULAR BUSINESS MEETING
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DAPHNE, AL
6:00 P.M.**

Audio Keyboards (2), Korg microkey keyboards (2), and M-Audio sustain pedals for the keyboards.

- C. 2025-73 - Revisions to the City of Daphne Street Map**
- D. 2025 - 74 - Additional Appropriation: ALDOT Project #ATRP2 02-2022-171: Widen, Resurface, Turn Lane Addition & Stripe US-90 Section - \$39,000**
- E. 2025-75- Additional Appropriation: City Hall Roof Replacement - \$27,300**
- F. 2025 - 76 - (Option 1) - Resolution Ordering Demolition of a Building or Structure located at 905 Daphne Avenue, Daphne, Alabama**
- G. 2025 - 76 - (Option 2) - Resolution Regarding the Demolition of a Building or Structure Located at 905 Daphne Avenue**

**MOTION by Councilman Coleman to waive the reading of Resolutions 2025-71, 2025-72, 2025-73, 2025-74 and 2025-75. Seconded by Councilman Olen.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-71. Seconded by Councilman Olen.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-72. Seconded by Councilwoman Green.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Olen to adopt Resolution 2025-73. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-74. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilwoman Conaway to adopt Resolution 2025-75. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Olen to waive the reading of Resolution 2025-76-(Option 1). Seconded by Councilman Coleman
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Olen to adopt Resolution 2025-76 -(Option 1). Seconded by Councilwoman Messinger.
MOTION CARRIED UNANIMOUSLY.**

12. 2ND READ ORDINANCES:

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13. 1ST READ ORDINANCES:

14. COUNCIL COMMENTS

Councilwoman Conaway encouraged everyone to count their blessings during the Thanksgiving season.

Councilman Olen congratulated Chief Bo White on his recent induction into the McGill-Toolen Hall of Fame.

Councilman Coleman echoed Councilwoman Conaway’s comments.

Councilman Roberts said he enjoyed the training by the League of Municipalities and congratulated the Daphne High School and Daphne Middle School Cheerleaders.

Councilwoman Messinger said she enjoyed the training by the League of Municipalities and commended the Civic Center staff.

Councilwoman Green gave kudos to the Department Heads for their involvement in both toy and food drives and said she enjoyed the training by the League of Municipalities.

Mayor LeJeune asked Eric Butler to work with Mr. Stallings on the Daphne Plaza property and wished everyone a Happy Thanksgiving.

Council President Hughes wished everyone a Happy Thanksgiving.

15. EXECUTIVE SESSION:

City Attorney certified that the Council should enter into an Executive Session concerning matters of an employee matter. He said it should take 30-40 minutes and the Council should have no reason to vote or return from the meeting so they could adjourn into executive session.

MOTION by Councilman Coleman to enter into Executive Session. Seconded by Councilman Olen.

Assistant City Clerk did a roll call vote.

Councilwoman Conaway Aye

Councilman Olen Aye

Councilman Coleman Aye

Councilman Roberts Aye

Councilwoman Messinger Aye

Councilwoman Green Aye

Council President Hughes Aye

MOTION CARRIED UNANIMOUSLY.

November 17, 2025
CITY COUNCIL MEETING
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16. ADJOURN:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, COUNCIL ADJOURNED INTO EXECUTIVE SESSION AT 6:38PM.

Respectfully submitted by,

Certification of Presiding Officer,

Candace G. Antinarella, MMC, City Clerk

Ben Hughes, Council President



**CITY OF DAPHNE
FINANCE COMMITTEE MINUTES
MONDAY, NOVEMBER 17, 2025 at
4:30 P.M.**

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 4:30 p.m.

Present were:

Chairperson Mrs. Tommie Conaway
Councilman Mr. Steve Olen
Councilman Mr. Joel Coleman
Councilman Mr. Oliver Roberts

Councilwoman Mrs. Stephanie Messinger
Councilman Mr. Ben Hughes
Councilwoman Mrs. Jennifer Green

Also Present: Mayor Robin LeJeune, Finance Director Mrs. Kelli Reid, Accountant III Mrs. Suz anne Henson, Revenue Officer Mrs. Connie Champion, Human Resource Director Mrs. Vickie Hinman, Assistant City Clerk Mrs. Jessica Linne, Executive Director of City Development Mr. Troy Strunk, Fire Chief Mrs. LeAnn Tacon, Director of Events and Marketing Mrs. Ange Baggett, Public Works Director Mr. Bobby Purvis, Solid Waste Manager Randy Jones, City Engineer Andy Bobe, Community Development Director Adrienne Jones, and City Attorney Mr. Patrick Dungan.

Junior City Council – Lakyn Coggin, Emma Coleman, Dareon Maynard.

2. PUBLIC PARTICIPATION

There was no public participation.

3. APPROVE MINUTES FOR THE PREVIOUS MEETING

The previous meeting minutes were approved.

4. HUMAN RESOURCES BUSINESS

A. Update on Human Resources Department Activity

Mrs. Vickie Hinman reviewed the Human Resources Report:

- Current Open Positions – 19

Mrs. Hinman reviewed the monthly Safety Committee meeting topics and discussed other Human Resources projects and events.

5. BUSINESS LICENSE REPORT

A. Report: New Business Licenses – October, 2025

Mrs. Champion reviewed the following reports and information:

- Total Business Licenses issued were 54 new and 18 renewals for a total of 72 in October 2025.
- New Businesses with a physical location in Daphne - 10.
- Code enforcement issued 3 warnings resulting in businesses becoming compliant and \$662.05 in revenue.
- Simplified Sellers Use Tax collections - \$216,326.03 and YTD collections - \$216,326.03.

6. SALES & LODGING TAX REPORT

A. Sales and Use Taxes: September, 2025

Mrs. Henson reviewed the Sales & Use Tax Reports: \$2,246,143.53 was collected for September, 2025 which was up \$23,536.58 from September 2024’s collections:

- YTD Variance over Budget - \$2,296,437.43

B. Lodging Tax Collections, September, 2025

Mrs. Henson reviewed the Lodging Tax Collections Report and noted the collections for September, 2025 were \$130,374.94 which is up \$11,327.43 from September 2024’s collections.

- YTD Variance over Budget - \$116,754.51
- Recreation balance for related purchases as of **October, 2025** - \$972,462.78
- Bayfront balance for related purchases as of **October, 2025** - \$1,519,107.81

C. Monthly Occupancy Fee Tax Collections, September, 2025

Mrs. Reid reviewed the Monthly Occupancy Fee Tax Collections Report: \$37,048.00 was collected for **September, 2025** which was down \$(676.50) from **September 2024's** collections:

- YTD Variance over Budget - \$38,373.50
- Reserved balance for Occupancy Fee as of **October, 2025** - \$580,801.50

7. FINANCIAL SCHEDULES & REPORTS

A. Financial Reports

1. Treasurer's Report: October, 2025

Mrs. Reid reviewed the Treasurer's Report:

TREASURER'S REPORT					
As of October 31, 2025					
Account Type/Title	10/31/2025	9/30/2025	Increase (Decrease) from last Month	10/31/2024	Increase (Decrease) from Last Year
GENERAL FUND & ENTERPRISE FUNDS	\$ 13,562,964	\$ 13,981,913	\$ (418,950)	\$ 16,196,103	\$ (2,633,139)
INVESTMENT FUND	11,362,526	11,327,883	34,643	10,847,046	\$ 515,480
Total Unrestricted Cash Balance	24,925,490	25,309,797	(384,307)	27,043,149	(2,117,659)
SPECIAL REVENUE FUNDS					
4 CENT GAS TAX	405,540	399,732	5,808	341,098	64,442
7 CENT GAS TAX	432,382	425,403	6,980	351,567	80,815
10 CENT GAS TAX	310,364	286,035	24,329	275,112	35,252
TREE & FLOWER	-	-	-	10,287	(10,287)
ANIMAL SHELTER FUND	137,320	136,945	375	236,779	(99,459)
MOBILE INFIRMARY BUILDING	90,357	100,953	(10,596)	95,761	(5,404)
FEDERAL DRUG FORFEITURES	109,139	108,645	494	280,381	(171,242)
LOCAL DRUG FORFEITURES	89,565	87,749	1,816	99,749	(10,184)
LIBRARY	80,682	83,945	(3,264)	66,434	14,248
COURT TRAINING & EQUIPMENT	41,373	40,929	444	40,884	489
COURT/CORRECTION	561,312	559,173	2,140	494,939	66,373
LODGING TAX	3,072,372	2,984,499	87,873	2,403,081	669,291
AGENCY FUNDS					
SELF INSURANCE	200,643	203,711	(3,068)	232,710	(32,067)
OPEB TRUST INVESTMENT FUND	2,019,146	2,005,029	14,117	1,606,664	412,482
	7,550,196	7,422,748	127,448	6,535,446	1,014,750
CAPITAL PROJECT FUNDS					
CAPITAL RESERVE	12,642,600	13,587,341	(944,742)	5,627,225	7,015,375
2023 CONSTRUCTION FUND	444,552	570,717	(126,165)	6,224,497	(5,779,945)
	13,087,152	14,158,058	(1,070,906)	11,851,722	1,235,430
DEBT SERVICE FUNDS					
DEBT SERVICE	822,456	565,570	256,886	791,956	30,500
Total Restricted Cash Balance	21,459,805	22,146,377	(686,572)	19,179,124	2,280,681
Total City Cash Balance	\$ 46,385,294	\$ 47,456,173	\$ (1,070,879)	\$ 46,222,273	\$ 163,021
	Encumbrance Total as of		10/31/2025	\$ 213,695.59	

2. Encumbrance Report

- Encumbrance balance - \$213,695.59 as of October, 2025.

Mrs. Reid reviewed the Encumbrance Report.

3. Outstanding Appropriations

Mrs. Reid reviewed the Outstanding Appropriations report and discussed each project listed.

4. Financial Overview: Debt Summaries & Monthly Financial Statements

Mrs. Reid reviewed the following Financial Statements:

- Debt Summary Schedules (General & Enterprise Funds), October, 2025
 - Outstanding Warrant Balance as of October, 2025: \$28,151,132
 - Outstanding Capital Lease Balance as of October, 2025:
 - General Fund: \$233,344
 - Enterprise Fund: \$807,456
- Overtime Report YTD
- Monthly Financial Statements, September 2025
 - General Fund YTD Budgetary Net Income: \$1,943,159 which is less (\$5,277,619) than the prior YTD net income
 - Solid Waste Fund Transfers \$205,867
 - Civic Center Fund Transfers \$365,291

5. Summary of Budgetary Amendments

Mrs. Reid noted there have not been any General Fund budgetary amendments made to the FY2026 Budget.

6. Unfunded Future Projects Expenditure Summary

Mrs. Reid reviewed the Unfunded Future Projects Expenditure Summary.

B. Bills Paid Reports – October, 2025

The Bills Paid Report was previously presented electronically.

8. APPROPRIATIONS (Resolution)

A. Highway 90 Widening Additional Costs - \$39,000

Mrs. Reid discussed the additional appropriation amount of \$39,000 needed for the Highway 90 Widening project and noted that a motion for the appropriation was made at the last Building and Property meeting so this is just for information purposes. Mrs. Reid noted the appropriation Resolution is also on the Council agenda for the meeting immediately following the Finance Meeting.

B. City Hall Re-roof

Mrs. Reid discussed the additional appropriation amount of \$27,300 needed for the City Hall Roof additional repairs and noted that a motion for the appropriation was made at the last Building and Property meeting so this is just for information purposes. Mrs. Reid noted the appropriation Resolution is also on the Council agenda for the meeting immediately following the Finance Meeting.

9. SURPLUS

A. Surplus: 2006 Ford Taurus-V#1138 & 2013 Ford Escape – V#1441

Mrs. Henson reviewed the two vehicles and noted that Public Works may need to pull the 2006 Ford Taurus. Mr. Purvis noted he was checking on the condition of the vehicle for use in his department. Mrs. Henson noted that situations have on occasion required a surplus asset to be pulled from surplus and put back in service for a period then sold later.

MOTION BY Mr. Hughes to recommend to Council to declare certain property surplus and authorize the Mayor to dispose of the following surplus property: 2006 Ford Taurus-V#1138 & 2013 Ford Escape – V#1441. Seconded by Mrs. Green.
MOTION CARRIED UNANIMOUSLY

10. NEW BUSINESS

A. Hotel Fortuna Project-Ord-TFH Daphne 2026-Ordinance

Mr. Strunk explained the property is located on Daphne Avenue across from the Post Office. Mr. Dungan reviewed the Hotel Fortuna Project and agreement with TFH Daphne 2026. Mr. Dungan noted the developer has approached the City for this \$30 million project and has asked for some incentives involving up to an \$8 million warrant. Once the Hotel has recouped the \$8 million then the City would begin to collect taxes for the Hotel revenue. The \$2 Lodging Tax fee would be excluded from this agreement and would be submitted to the City. Mr. Dungan noted it is anticipated to take 20 years before the City would start collecting taxes. Mr. Strunk noted this property has been approved for an apartment complex

but the developer would prefer to build a Boutique Hotel instead of an apartment complex. The hotel will have a 60 to 70 rooms for higher end users so the hotel does not need the extra amenities like pickleball and other outdoor amenities. Mr. Dungan noted the agreement requires a publication that must be advertised in early December and then the warrant would have to be validated by a Baldwin County judge. The developer has agreed to reimburse the City for any related cost for these documents and expenses. Mr. Strunk noted certain property taxes that are state and county are not included in this agreement. Discussion was made on where the \$8 million came from. The Mayor noted the developer relayed that \$8 million is what is needed for the developer to do the project. Mr. Olen discussed the present value of the future tax collections. Mr. Coleman asked what protection the City would have that the purpose of the project would not change in the future. The Mayor reviewed sections of the agreement that discussed the project's purpose. Discussion continued on this project.

MOTION BY Mr. Hughes to recommend to Council to adopt an Ordinance authorizing the Mayor to enter an agreement for Hotel Fortuna Project-Ord-TFH Daphne - \$8 Million Warrant. Seconded by Mr. Olen.
MOTION : AYE - Conaway, Hughes, Olen, Roberts, Green, Messinger NAY - Coleman

B. Belrose Avenue Purchase and Development Agreement-S&R Lot and Parking Lot Property

Mr. Strunk discussed the Belrose Avenue Purchase and Development Agreement-S&R Lot and Parking Lot Property (old Fire Station #1) directly behind City Hall. Mr. Strunk noted moving Search & Rescue to a new building on the new Fire Station #1 property was in motion already. Mr. Strunk stated part of the property would be sold and a single family dwelling home would be built where the old Search and Rescue building is. The remaining property would include the current parking area on Sixth Street and additional parking would be added. Discussion continued that the parking area would be done with pavers. Mr. Strunk noted a passive park will also be added where the old Fire Station building was torn down. Mr. Strunk stated that the developer of the property would be responsible for building the park and installing the paver parking spaces. Discussion continued.

MOTION BY Mr. Coleman to recommend to Council to adopt an Resolution authorizing the Mayor to enter into an agreement for the Belrose Avenue Purchase and Development Agreement for the S&R Lot and Old Fire Station #1 Property/Parking. Seconded by Mr. Hughes.
MOTION CARRIED UNANIMOUSLY

C. Authorize the Mayor to allow Daphne Utilities to perform well testing on City property.

The Mayor noted that at the Council meeting following the Finance meeting he was going to request a motion under the Mayor's report to authorize the Mayor to allow Daphne Utilities to perform well testing on City property.

11. OLD BUSINESS

A. Authorizing Designated Signatories on various accounts of the City of Daphne - Ordinance

Mrs. Reid noted the current Ordinance listing the City's signatories for various bank accounts is in the packet. Two signatories from Council need to be selected. Discussion continued and Mrs. Tommie Conaway and Mrs. Stephanie Messinger were recommended.

MOTION BY Mrs. Green to recommend to Council to adopt an Ordinance authorizing the following as signatories on various City accounts: Mayor-Robin LeJeune, Finance Director/Treasurer-Kelli Kichler Reid, Councilmember-Tommie Conaway, and Councilmember-Stephanie Messinger. Seconded by Mr. Roberts.
MOTION CARRIED UNANIMOUSLY

12. ADJOURN The meeting adjourned at 5:52 p.m.

CODE ENFORCEMENT/ORDINANCE COMMITTEE MEETING
October 6, 2025, 4:30 p.m.
City Hall, Council Chamber
1705 Main Street, Daphne, AL 36526

MEETING MINUTES

MEMBERS PRESENT: Councilwoman Conaway, Councilman Goodlin, Councilman Scott, Councilman Olen, Councilman Hughes and Councilwoman Phillips (arrived 4:34pm)

MEMBERS ABSENT: Councilman Coleman

ALSO PRESENT: Patrick Dungan, City Attorney; Christina Brazell, Code Enforcement; Alex Bischoff, Code Enforcement; Mayor LeJeune; Troy Strunk, City Development; Andy Bobe, City Engineer; Bobby Purvis, Public Works; Chief Tacon, Fire; Randy Jones, Public Works; Candace Antinarella, City Clerk; Emma Coleman, Junior Councilmember; Lakyn Coggin, Junior Councilmember; and Jessica Linne, Assistant City Clerk.

1) CALL MEETING TO ORDER / ROLL CALL

There being a quorum present Councilman Olen called the meeting to order at 4:30 p.m.

2) APPROVE MINUTES FROM THE September 2, 2025 Meeting

3) PUBLIC PARTICIPATION

4) ORDINANCE REVIEW/DISCUSSION

Discussion was had regarding the presented changes to the Speed Limit Ordinance.

MOTION by Councilman Goodlin to recommend to Council to approve the Speed Limit Ordinance. Seconded by Councilman Hughes.
MOTION CARRIED UNANIMOUSLY.

Patrick Dungan presented on the Resolution Authorizing the Issuance of a Municipal Sales and Use Tax Exemption Certificate for the Mobile River Bridge & Bayway Project. He said ALDOT had some changes they wanted to make on the resolution and asked the Council to remove this from the upcoming Council meeting that evening. Council asked that this resolution be on the October Finance agenda.

5) OTHER BUSINESS DEEMED NECESSARY

Mayor LeJeune thanked Code Enforcement for their quick response to the new political signs candidates have recently put out for county elections.

6) NEXT MEETING

The next meeting is scheduled for Monday, December 1, 2025 at 4:30 p.m.

7) ADJOURN

There being no further business to discuss, the Council adjourned at 4:46pm.

Daphne Downtown Redevelopment Authority

Thursday, October 16, 2025

Meeting Minutes

City Council: Tommie Conaway, Steve Olen

Attendees: Daphne Robinson, Chairperson; Monica Kurth, Vice Chair; Dayna Oldham, Treasurer; Jason Goffinet, Member; Laura Johnson, Member; Pamela Marks, Member

City Council: Tommie Conaway; Steve Olen; Jessica Linne, Asst. City Clerk

Public Attendee: Maddie Barnes, Daphne High School student

A. Call to Order – 5:30 p.m.

- Prayer/Pledge of Allegiance
- Member present roll Sheet / Greet Public Participants
- Approve minutes: September minutes unanimously approved as submitted

B. Public Participation

- none

C. Treasurer Report

- Monthly deposit of \$7,072.27, current available balance \$95,651.88
- \$1.03M spent YTD on construction loan of \$1,530,355.00
- \$10,767 projected monthly loan repayment
- \$500/ month projected for monthly utility bills
- \$1,610,552.13 current total accumulated cost of building project

D. City Council update

- City Council swearing in ceremony scheduled for Nov 3, 2025 at 6pm
- Adam Campbell was approved as a DRA member at the October 6, 2025 council meeting

E. Committee Progress Reports

- Website and Social Media Pages: Monica Kurth
 - a. No new updates
- Main Street Development: Daphne Robinson
 - a. Paint color for exterior wall agreed upon. The color is a Monica exclusive mixture, sample to be provided for replication
 - b. Sea serpent color selected for kitchen island and laundry room cabinets
 - c. Appliances will be mid-grade GE for washer, dryer, refrigerator, dishwasher, stand alone microwave, vent hood, oven and stove
 - d. Daphne to follow-up with interior designer regarding clarification on cost breakdown of interior services totaling \$28,976.50

Motion: To approve \$2,865 for wing wall modification, material, labor, railing. Laura motions, Pam seconds the motion. Monica, Jason, Dayna, Laura, Pam in favor; Daphne abstains. Motion passes.

Motion: To approve \$29,625 for dormer modification. Dayna motions, Monica seconds the motion. Pam, Monica, Dayna in favor; Laura, Daphne, Jason oppose. Motion fails.

Discussions pertaining to gutters. Daphne to obtain clarity on the \$5,000 allowance on the change order.

Motion: To approve direct applied finish system over CMU with waterproof basecoat, not to exceed \$44,480 and contingent upon contractor's collaborator company preference. Dayna motions, Monica seconds the motion. Pam, Jason, Monica, Dayna in favor; Laura, Daphne against. Motion passes.

Motion: To approve up to \$55,000 for furnishings of the residential space. Pam motions, Monica seconds the motion. All in favor, motion passes unanimously.


Monica, Dayna, Pam volunteer to work together to select furnishings

F. New Business

- Next meeting: **November 20, 2025**
 1. Minutes and agenda to be emailed no later than Tuesday before the meeting
 2. Agenda items are due the Monday prior to scheduled meeting.
- Adjourn

**COMMUNITY DEVELOPMENT
INTERNAL MEMORANDUM**



DATE: November 20, 2025
TO: Office of the City Clerk
FROM: Adrienne Jones, AICP, Director of Community Development 
SUBJECT: Planning Commission Minutes and Report

Attached please find a copy of the approved minutes for the City of Daphne Planning Commission regular meeting of the October 23, 2025 and the report of the regular meeting of November 20, 2025 for placement on the December 1, 2025 City Council agenda for review.

Should you have any questions or comments in this regard, please do not hesitate to call.

ADJ/jv

**The City of Daphne
Planning Commission Minutes
Regular Meeting of October 23, 2025
Council Chamber, City Hall - 5:00 P.M.**

Call to Order:

The Chairman called the regular meeting of the City of Daphne Planning Commission to order at 5:03 p.m. The number of members present constitutes a quorum.

Call of Roll:

Members Present:

Kevin Spriggs, Secretary
Bobby Purvis
John Peterson, Vice Chairman
Andrew Prescott, Chairman
Lucy Watkins
Richard Johnson
Steve Olen

Staff Present:

Adrienne Jones, AICP, Director of Community Development
Jan Allen, Planning Coordinator
Patrick Dungan, Attorney
Troy Strunk, Executive Director, City Development
Andy Bobe, City Engineer

Approval of Minutes:

The Chairman called for the first order of business: approval of minutes.

The Chairman asked for input regarding the September 23, 2025 regular meeting minutes presented by staff. There being none, minutes stand approved as submitted.

Public Participation:

The Chairman called for the next order of business: public participation.

None presented.

Old Business:

The Chairman stated that The Sable at Fish River, Phase 1 and associated agenda items have been tabled at the request of the applicant to the regular meeting of November 20, 2025.

New Business:

The Chairman called for the next order of business: Request for a Modification to the Rowan Oak Master Plan and an Amendment to the Rowan Oak PUD Narrative.

**The City of Daphne
Planning Commission Minutes
Regular Meeting of October 23, 2025
Council Chamber, City Hall - 5:00 P.M.**

An introductory presentation was given by the agent, Chloe Kelly. She provided a summarization of a modification to the master plan and an amendment to the PUD narrative as presented on the meeting agenda.

Mrs. Kelly referenced the PUD narrative and provided a detailed presentation of the revisions and changes made to address comments expressed at the Site Preview meeting. She advised there is a reduction and reallocation of density for the multi-family section; an improved architectural product type; changed the townhome portion to fee simple lots and detached homes; increased lot width; reduction of the side setback, and clarification of the location for the storage of recreational vehicles, camper and boats.

Mr. Johnson asked for clarification whether the geometric footprint of The Sanctuary can accommodate the use. Mrs. Kelly noted that this is a conceptual layout not a designed site plan. Mr. Strunk commented that staff had held a pre-application meeting and preliminary discussion regarding multi-family portion, and the end user has not finalized the site plan. Mrs. Kelly advised the intention is that the boundary of Phase 6 located north of Milton Jones Road is the multi-family portion of this development.

Mr. Olen questioned why the applicant is not requesting a modification to the PUD for the multi-family to remain within the footprint. Mrs. Kelly responded that the end user has not done any due diligence to confirm the unit count. She noted that the applicant is agreeable to adding language suggested by the Commission.

Mr. Johnson questioned whether there is an independent open space requirement for The Sanctuary or is the requirement tied to the entire development. Mrs. Jones commented that the open space requirement is for the PUD.

Mr. Prescott commented that the notes state that the maximum building coverage is thirty-five percent of the site. Mrs. Kelly clarified that the maximum building cover is thirty-five percent of the site with a maximum of two hundred sixty-four units.

Mr. Olen asked for clarification on the language was provided to the Commission regarding recreational vehicles, campers, boats and utility trailer. Mrs. Kelly stated that verbiage can also be added to the PUD narrative as a condition of approval.

Mr. Prescott commented there were two concerns: storage of recreational vehicles and equipment access for maintenance. Mr. Spriggs stated small equipment will be able to access to the rear of lot.

Hearing no further comments from the commissioners, the Chairman called for a motion.

A motion was made by Mr. Prescott and seconded by Mr. Olen to approve the modification to the master plan for Rowan Oak. There was no discussion. The motion carried unanimously.

The City of Daphne
Planning Commission Minutes
Regular Meeting of October 23, 2025
Council Chamber, City Hall - 5:00 P.M.

A motion was made by Mr. Prescott and seconded by Mr. Spriggs to set forth a favorable recommendation to the City Council to approve the proposed amendments to the Rowan Oak PUD Narrative, subject to the following regarding the multi-family units: the maximum units are to be 264; maximum building coverage for multi-family is 35%; and, all multi-family units are to be located in Phase 6. There was no discussion. The motion carried unanimously.

The Chairman called for the next order of business: The Official Zoning Map and Official Street Map Update.

Mrs. Jones stated that amendments have been made to the Official Street Map to include changes that have occurred in the last six months and requested a recommendation to City Council to approve the revisions to the maps.

Hearing no comments from the commissioners, the Chairman called for a motion.

A motion was made by Mr. Johnson and seconded by Mr. Olen to set forth a favorable recommendation to City Council to approve the proposed amendments. There was no discussion. The motion carried unanimously.

The Chairman called for the next order of business: Request for an Exemption to the Sidewalk Requirement for Shore Light Baptist Church.

An introductory presentation was given by the applicant, Andrew Terrell. He provided a summary of the sidewalk exemption request as presented on the meeting agenda.

Mr. Terrell stated that the church requests a sidewalk exemption for the property located at 25366 Profit Drive. He commented that a church is not a commercial use; the topography and location of the perimeter Oak trees inhibit the installation of a sidewalk; currently there are no sidewalks along Stanton Road or Profit Drive, and this area does not have pedestrian traffic.

Chairman asked about additional conversations with the city regarding participation and for staff comments. Mr. Terrell stated no. Mr. Bobe stated he is not in favor of the installation of a sidewalk on this property.

Mr. Spriggs stated it would be difficult to build a sidewalk because of the location of the trees.

Mr. Bobe stated he is not in favor of the sidewalk because of topography and trees; it would be a safety hazard.

Mr. Olen commented that he does not support a sidewalk exemption and stated that granting a sidewalk exemption defeats the purpose of the sidewalk requirement.

**The City of Daphne
Planning Commission Minutes
Regular Meeting of October 23, 2025
Council Chamber, City Hall - 5:00 P.M.**

Mr. Terrell stated the church is purchasing one building, but the change in use triggered compliance with the Land Use Ordinance.

Mrs. Jones clarified that the church does not own anything at this time. She stated he is simply making the request because the requirement is to install a sidewalk the full length of the right-of-way. She commented the cost should be incurred by the property owner.

Mr. Olen questioned to who will the sidewalk exemption be issued. Mrs. Jones said the current owner of the property.

Mr. Spriggs asked whether the other site plans in the business park were approved prior to the sidewalk requirement. Mrs. Jones commented that the sidewalk requirement has always been in place and was not enforced.

Hearing no further comments from the commissioners, the Chairman called for a motion.

A motion was made by Mr. Spriggs and seconded by Mr. Purvis to grant the request for an exemption to the sidewalk requirement. There was no discussion on the motion. The motion carried. Mr. Olen and Mr. Johnson dissented.

The Chairman called for the next order of business: attorney's report.

Mr. Dungan stated no report.

The Chairman called for the next order of business: commissioner's comments.

None presented.

The Chairman called for the next order of business: director's comments.

Director presented the upcoming meeting dates. Site Preview is November 12th and the Regular Meeting is November 20, 2025; she shared the City of Daphne Proclamation designating October as National Community Planning Month.


There being no further business, the meeting was adjourned at 5:56 p.m.

Respectfully submitted by:



Jan Allen, Planning Coordinator

Approved: November 20, 2025



Andrew Prescott, Chairman



1. **CALL TO ORDER:** 5:03 p.m.
2. **CALL OF ROLL:** Andrew Prescott, Steve Olen, Kevin Spriggs, Lucy Watkins, Bobby Purvis, Ida Ross Hicks, Nathan Jones and John Peterson
3. **APPROVAL OF MINUTES:** Review of minutes of the regular meeting of October 23, 2025 (**Approved**)
4. **PUBLIC PARTICIPATION:** Commented and petition presented by Lisa Rummer on behalf of Tiawasee Property Owners POA (see minutes for details).
5. **OLD BUSINESS:**
 - A. **OAK GROVE ESTATES MASTER PLAN AMENDMENT:**
 1. File MPA25-01: (**Denied**)

Presentation to be given by Jason Wooten, Wooten Engineering, requesting an amendment to the master plan of Oak Grove Estates.
 - B. **SABAL AT FISH RIVER MASTER PLAN REVIEW, PLANNING COMMISSION APPROVAL AND SABAL AT FISH RIVER, PHASE 1 PRELIMINARY PLAT:**
 1. File MPR25-04: (**Tabled by the applicant until the regular meeting of December 18, 2025**)

Presentation to be given by Austin Lutz, Engineering Design Group, requesting master plan review of Sabal at Fish River Subdivision.
 2. File AP25-17: (**Tabled by the applicant until the regular meeting of December 18, 2025**)

Presentation to be given by Austin Lutz, representative of Engineering Design Group, requesting an amendment to the East Fish River PUD Narrative.
 3. File AP25-16: (**Tabled by the applicant until the regular meeting of December 18, 2025**)

Presentation to be given by Austin Lutz, Engineering Design Group, to request Planning Commission approval of a low-pressure system in lieu of the approved gravity sewer system. Reference LUDO Section 11-13(a) (2).
 4. File SDP25-12: (**Tabled by the applicant until the regular meeting of December 18, 2025**)

Subdivision: Sabal at Fish River, Phase 1

Zoning: *PUD, Planned Unit Development*

Location: Five hundred feet northeast of the intersection of County Road 64 and Dixon Lane
Area: 190.78 Acres ±, 215 lots
Owner: East Fish River, LLC - Richard Inge
Developer: Gaskin Banks, LLC - Todd Malphrus
Surveyor: Engineering Design Group - Craig Johnson
Engineer: Engineering Design Group - Austin Lutz

CITY OF DAPHNE
PLANNING COMMISSION AGENDA
REGULAR MEETING OF NOVEMBER 20, 2025
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

6. **NEW BUSINESS:**

A. **(GRINDSTONE MASTER PLAN AMENDMENT), BELTERRA MASTER PLAN REVIEW, BELTERRA, PHASES 1 AND 2 PRELIMINARY SUBDIVISION PLATS:**

1. **File MPR25-05: (Approved to supersede any previously approved master plan)**

Presentation to be given by Dwayne Smith, Anchor Engineering, requesting master plan review of Belterra.

2. **File SDP25-13: (Approved)**

Subdivision: Belterra, Phase 1

Zoning: *R-6(G), Garden or Patio Home*

Location: East of Well Road and County Road 13
Area: 38 Acres \pm , (89) lots
Owner(s): Ann McDonald and Teresa Warner
Developer: KAD Properties, LLC. - Dwayne Smith
Engineer: Anchor Engineering - Dwayne Smith

3. **File SDP25-14: (Approved)**

Subdivision: Belterra, Phase 2

Zoning: *R-6(G), Garden or Patio Home*

Location: East of Well Road and County Road 13
Area: 11.9 Acres \pm , (34) lots
Owner(s): Ann McDonald and Teresa Warner
Developer: KAD Properties, LLC - Dwayne Smith
Engineer: Anchor Engineering - Dwayne Smith

B. **ROWAN OAK PRELIMINARY SUBDIVISION PLAT REVIEW:**

1. **File SDP25-15: (Approved contingent upon the City Council's approval of the Rowan Oak PUD Narrative Modification)**

Subdivision: The Hamlet at Rowan Oak, Phase 1

Zoning: *PUD, Planned Unit Development*

Location: Southwest of the intersection of Milton Jones and County Road 13
Area: 45.80 Acres \pm , (91) lots
Owner: Sharon, John Christopher, Frederick and Thomas Boni
Developer: 68 Ventures - Chloe Kelly
Surveyor: S.E. Civil - David Diehl
Engineer: S.E. Civil - Dave Lavery

7. **ATTORNEY'S REPORT:** No report.

8. **COMMISSIONER'S COMMENTS:** The Chairman welcomed Ida Ross Hicks to the Planning Commission.

CITY OF DAPHNE
PLANNING COMMISSION AGENDA
REGULAR MEETING OF NOVEMBER 20, 2025
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

Draft 11/10/2025

9. **DIRECTOR'S COMMENTS:** Director presented the upcoming meeting dates. Site Preview is December 10th and the Regular Meeting is December 18, 2025; Happy Thanksgiving!

10. **ADJOURNMENT:** 5:57 p.m.



City of Daphne Event Permit Application

TYPE OF PERMIT: Special Event/Fundraiser Parade/Run (Streets Use) Walk (Sidewalks Only)
 Athletic Complex/Sporting Event Other: _____

APPLICANT & ORGANIZATION INFORMATION

ORGANIZATION NAME: Daphmont Community
APPLICANT NAME: Rev Bryant Faust
STREET: 1003 Pickett Ave CITY, STATE, ZIP: Daphne AL 36526
CONTACT PHONE: (251) 463-7090 EMAIL: _____
"ON SITE" CONTACT PERSON DAY OF EVENT: Dehulline Faust
CELL PHONE: (251) 463-7090 EMAIL: DFaust1003@1003.com

EVENT INFORMATION

EVENT NAME: Daphmont Community Mardi Gras Parade
TYPE OF/PURPOSE OF EVENT: _____
EVENT DATE: February 14, 2026 TIME (START- END): 2pm to 4pm
ASSEMBLY TIME: 12:00 # PARTICIPANTS/VEHICLES: 24
EVENT LOCATION: Daphmont Community
FULL DESCRIPTION OF EVENT (PLEASE LIST ANY TENTS, STAGING, PORT-O-LETS, OR SIMILAR ITEMS THAT WILL BE USED ON-SITE): Parade

SPECIAL REQUESTS

ROAD CLOSURE(S) REQUESTS: Yes* No *If Yes, please indicate which City Route is requested: _____

WILL YOUR EVENT REQUIRE BARRICADES: Yes* No *If Yes, please indicate quantity & location: _____

WILL YOUR EVENT REQUIRE ELECTRICITY: Yes* No *If Yes, you must provide your own extension cords

WILL YOUR EVENT REQUIRE WATER: Yes* No *If Yes, you must provide your own hose(s)

OTHER SPECIAL ITEMS FOR RENT:

TENTS: 20' X 40' # _____ X \$321.00 10' X 10' # _____ X \$123.00/EACH

TABLES: 8' L # _____ X \$45.00/EACH CHAIRS: # _____ X \$12.00/EACH

OTHER SPECIAL REQUESTS: _____

MARKETING & COMMUNICATIONS

PLEASE NOTE: As a City permitted event, the City of Daphne should be listed as a sponsor on all marketing materials promoting your event, such as, but not limited to, posters, social media outlets, website(s), t-shirts, promo items, etc. It is the event organizer's responsibility to request the official City logo from our Marketing & Events Department in a proper format. No other City of Daphne logo should be utilized. Please initial acknowledgement: _____

Is your event open to the general public? Yes* No

* If Yes, do you wish for your event to be listed and/or shared on: www.daphneal.com? Yes No

Facebook.com? Yes No Instagram? Yes No LinkedIn? Yes No

AFB

MARKETING CONTACT (IF DIFFERENT THAN EVENT APPLICANT OR "ON SITE" EVENT CONTACT):

NAME: _____ CONTACT PHONE: _____

OTHER MARKETING REQUESTS: _____

REVENUE/BUSINESS LICENSE

WILL SALES BE GENERATED AT YOUR EVENT: Yes** No ** If Yes, please provide your City of Daphne Business License Number here: _____

PLEASE NOTE: If you are providing food trucks or other third-party vendors, they MUST be a licensed business with the City of Daphne.

INDEMNITY & HOLD HARMLESS AGREEMENT

In consideration of the permission granted to me by the City of Daphne to use grounds, sidewalks, and/or streets, I hereby indemnify and hold harmless the City of Daphne, its agents, servants and employees from any and all claims and causes of action that may arise from injury to me or third party using the grounds, sidewalks, and/or streets who are injured or suffer property damage that is in any way caused by my use of the grounds, sidewalks, and/or streets. This indemnity and hold harmless agreement is given to the City of Daphne to protect the City and its agents, servants, and employees from cost of defense and claims for injuries and damages that may be caused either directly or indirectly by my use of grounds, sidewalks, and/or streets.

Further, I have read and understand all rules and regulations according to the City of Daphne Ordinance No. 2017-35 as set forth by the governing body of the City of Daphne and will abide by these rules and regulations. I understand that damage to City property, grounds, sidewalks, and/or streets can and will result in additional fees. I also understand that if at any time the City of Daphne appointed Law Enforcement, Code Enforcement, or other personnel feel that said rules and regulations are not being followed the function will be terminated with no refund of said fees.

I have read and understand the above, including the cancellation and indemnity policies.

APPLICANT SIGNATURE: Bryant Faust DATE: 11/10/25

INTERNAL USE ONLY

DATE REC'D: <u>11-12-25</u>	CITY CLERK: <u>Camelia Antoniu</u>
FIRE DEPT: <u>Joe Turner</u>	APPROVED ROUTE: _____
POLICE DEPT: <u>PH</u>	ROUTE MAP ATTACHED: <input type="checkbox"/> Yes <input type="checkbox"/> No
PUBLIC WORKS: <u>Bobby Curran</u>	EVENT FEE: <input type="checkbox"/> Paid \$ _____ CHK# _____
SPORTS & RECREATION: <u>CMH</u>	<input type="checkbox"/> Waived: _____
MARKETING & EVENTS: <u>Ang Roper</u>	PROOF OF INSURANCE REC'D: <input type="checkbox"/> Yes <input type="checkbox"/> No
** REVENUE: _____	



City of Daphne Event Permit Application

TYPE OF PERMIT: Special Event/Fundraiser Parade/Run (Streets Use) Walk (Sidewalks Only)
 Athletic Complex/Sporting Event Other: _____

APPLICANT & ORGANIZATION INFORMATION

ORGANIZATION NAME: Apollo's Mystic Ladies
APPLICANT NAME: Janelle Jones
STREET: 25361 Friendship Road CITY, STATE, ZIP: Daphne, AL 36526
CONTACT PHONE: 251-751-7118 EMAIL: amlco7@yahoo.com
"ON SITE" CONTACT PERSON DAY OF EVENT: Charli Linn
CELL PHONE: 251-300-4313 EMAIL: _____

EVENT INFORMATION

EVENT NAME: Apollo's Mystic Ladies Parade
TYPE OF/PURPOSE OF EVENT: Annual Mardi Gras Parade
EVENT DATE: 02/06/26 TIME (START- END): 6:45 -9:30pm
ASSEMBLY TIME: 5:00pm # PARTICIPANTS/VEHICLES: 30 units
EVENT LOCATION: Mardi Gras parade route in Olde Towne Daphne
FULL DESCRIPTION OF EVENT (PLEASE LIST ANY TENTS, STAGING, PORT-O-LETS, OR SIMILAR ITEMS THAT WILL BE USED ON-SITE): Rain Date - 2/12/2026
Apollo's Mystic Ladies annual Mardi Gras parade. Units will line up on Main Street behind Library
Additional units assembled in Rouses parking lot. Floats will line up at the rear of the civic center

SPECIAL REQUESTS

ROAD CLOSURE(S) REQUESTS: Yes* No *If Yes, please indicate which City Route is requested: mardi gras

WILL YOUR EVENT REQUIRE BARRICADES: Yes* No *If Yes, please indicate quantity & location: _____

mardi gras route

WILL YOUR EVENT REQUIRE ELECTRICITY: Yes* No *If Yes, you must provide your own extension cords

WILL YOUR EVENT REQUIRE WATER: Yes* No *If Yes, you must provide your own hose(s)

OTHER SPECIAL ITEMS FOR RENT:

TENTS: 20' X 40' # _____ X \$321.00 10' X 10' # _____ X \$123.00/EACH

TABLES: 8' L # _____ X \$45.00/EACH CHAIRS: # _____ X \$12.00/EACH

OTHER SPECIAL REQUESTS: _____

MARKETING & COMMUNICATIONS

PLEASE NOTE: As a City permitted event, the City of Daphne should be listed as a sponsor on all marketing materials promoting your event, such as, but not limited to, posters, social media outlets, website(s), t-shirts, promo items, etc. It is the event organizer's responsibility to request the official City logo from our Marketing & Events Department in a proper format. No other City of Daphne logo should be utilized. Please initial acknowledgement: TB

Is your event open to the general public? Yes* No

* If Yes, do you wish for your event to be listed and/or shared on: www.daphneal.com? Yes No

Facebook.com? Yes No Instagram? Yes No LinkedIn? Yes No

MARKETING CONTACT (IF DIFFERENT THAN EVENT APPLICANT OR "ON SITE" EVENT CONTACT):

NAME: _____ CONTACT PHONE: _____

OTHER MARKETING REQUESTS: _____

REVENUE/BUSINESS LICENSE

WILL SALES BE GENERATED AT YOUR EVENT: Yes** No ** If Yes, please provide your City of Daphne Business License Number here: _____

PLEASE NOTE: If you are providing food trucks or other third-party vendors, they MUST be a licensed business with the City of Daphne.

INDEMNITY & HOLD HARMLESS AGREEMENT

In consideration of the permission granted to me by the City of Daphne to use grounds, sidewalks, and/or streets, I hereby indemnify and hold harmless the City of Daphne, its agents, servants and employees from any and all claims and causes of action that may arise from injury to me or third party using the grounds, sidewalks, and/or streets who are injured or suffer property damage that is in any way caused by my use of the grounds, sidewalks, and/or streets. This indemnity and hold harmless agreement is given to the City of Daphne to protect the City and its agents, servants, and employees from cost of defense and claims for injuries and damages that may be caused either directly or indirectly by my use of grounds, sidewalks, and/or streets.

Further, I have read and understand all rules and regulations according to the City of Daphne Ordinance No. 2017-35 as set forth by the governing body of the City of Daphne and will abide by these rules and regulations. I understand that damage to City property, grounds, sidewalks, and/or streets can and will result in additional fees. I also understand that if at any time the City of Daphne appointed Law Enforcement, Code Enforcement, or other personnel feel that said rules and regulations are not being followed the function will be terminated with no refund of said fees.

I have read and understand the above, including the cancellation and indemnity policies.

APPLICANT SIGNATURE: Janelle Jones DATE: 11/10/25

INTERNAL USE ONLY

DATE REC'D: <u>11-12-2025</u>	CITY CLERK: <u>Candace Anttonen</u>
FIRE DEPT: <u>216 Turner</u>	APPROVED ROUTE: <u>Mardi Gras Route</u>
POLICE DEPT: <u>[Signature]</u>	ROUTE MAP ATTACHED: <input type="checkbox"/> Yes <input type="checkbox"/> No
PUBLIC WORKS: <u>[Signature]</u>	EVENT FEE: <input type="checkbox"/> Paid \$ <u> </u> CHK# <u> </u>
SPORTS & RECREATION: <u>[Signature]</u>	<input type="checkbox"/> Waived: <u> </u>
MARKETING & EVENTS: <u>[Signature]</u>	PROOF OF INSURANCE REC'D: <input type="checkbox"/> Yes <input type="checkbox"/> No
** REVENUE: <u> </u>	



City of Daphne Event Permit Application

TYPE OF PERMIT: Special Event/Fundraiser Parade/Run (Streets Use) Walk (Sidewalks Only)
 Athletic Complex/Sporting Event Other: _____

APPLICANT & ORGANIZATION INFORMATION

ORGANIZATION NAME: The Shadow Barons

APPLICANT NAME: Tony Brunson, President

STREET: 9353 Milton Jones Road CITY, STATE, ZIP: Daphne, AL 36526

CONTACT PHONE: 251-391-3997 EMAIL: president@shadowbarons.com

"ON SITE" CONTACT PERSON DAY OF EVENT: Jay Parke

CELL PHONE: 251-623-5815 EMAIL: _____

EVENT INFORMATION

EVENT NAME: Shadow Barons Parade

TYPE OF/PURPOSE OF EVENT: Annual Mardi Gras Parade

EVENT DATE: 02/14/26 TIME (START- END): 6:45 -9:30pm

ASSEMBLY TIME: 5:00pm # PARTICIPANTS/VEHICLES: 30 units

EVENT LOCATION: Mardi Gras parade route in Olde Towne Daphne

FULL DESCRIPTION OF EVENT (PLEASE LIST ANY TENTS, STAGING, PORT-O-LETS, OR SIMILAR ITEMS THAT WILL BE USED ON-SITE): Rain Date - 2/15/2026

Shadow Barons annual Mardi Gras parade. Floats will line up on Main Street behind Library with additional units assembled in Rouses parking lot.

SPECIAL REQUESTS

ROAD CLOSURE(S) REQUESTS: Yes* No *If Yes, please indicate which City Route is requested: mardi gras

WILL YOUR EVENT REQUIRE BARRICADES: Yes* No *If Yes, please indicate quantity & location: _____

mardi gras route

WILL YOUR EVENT REQUIRE ELECTRICITY: Yes* No *If Yes, you must provide your own extension cords

WILL YOUR EVENT REQUIRE WATER: Yes* No *If Yes, you must provide your own hose(s)

OTHER SPECIAL ITEMS FOR RENT:

TENTS: 20' X 40' # _____ X \$321.00 10' X 10' # _____ X \$123.00/EACH

TABLES: 8' L # _____ X \$45.00/EACH CHAIRS: # _____ X \$12.00/EACH

OTHER SPECIAL REQUESTS: _____

MARKETING & COMMUNICATIONS

PLEASE NOTE: As a City permitted event, the City of Daphne should be listed as a sponsor on all marketing materials promoting your event, such as, but not limited to, posters, social media outlets, website(s), t-shirts, promo items, etc. It is the event organizer's responsibility to request the official City logo from our Marketing & Events Department in a proper format. No other City of Daphne logo should be utilized. Please initial acknowledgement: TB

Is your event open to the general public? Yes* No

* If Yes, do you wish for your event to be listed and/or shared on: www.daphneal.com? Yes No

Facebook.com? Yes No Instagram? Yes No LinkedIn? Yes No

MARKETING CONTACT (IF DIFFERENT THAN EVENT APPLICANT OR "ON SITE" EVENT CONTACT):

NAME: _____ CONTACT PHONE: _____

OTHER MARKETING REQUESTS: _____

REVENUE/BUSINESS LICENSE

WILL SALES BE GENERATED AT YOUR EVENT: Yes** No ** If Yes, please provide your City of Daphne Business License Number here: _____

PLEASE NOTE: If you are providing food trucks or other third-party vendors, they MUST be a licensed business with the City of Daphne.

INDEMNITY & HOLD HARMLESS AGREEMENT

In consideration of the permission granted to me by the City of Daphne to use grounds, sidewalks, and/or streets, I hereby indemnify and hold harmless the City of Daphne, its agents, servants and employees from any and all claims and causes of action that may arise from injury to me or third party using the grounds, sidewalks, and/or streets who are injured or suffer property damage that is in any way caused by my use of the grounds, sidewalks, and/or streets. This indemnity and hold harmless agreement is given to the City of Daphne to protect the City and its agents, servants, and employees from cost of defense and claims for injuries and damages that may be caused either directly or indirectly by my use of grounds, sidewalks, and/or streets.

Further, I have read and understand all rules and regulations according to the City of Daphne Ordinance No. 2017-35 as set forth by the governing body of the City of Daphne and will abide by these rules and regulations. I understand that damage to City property, grounds, sidewalks, and/or streets can and will result in additional fees. I also understand that if at any time the City of Daphne appointed Law Enforcement, Code Enforcement, or other personnel feel that said rules and regulations are not being followed the function will be terminated with no refund of said fees.

I have read and understand the above, including the cancellation and indemnity policies.

APPLICANT SIGNATURE: Tony Brunson DATE: 11/12/25

INTERNAL USE ONLY

DATE REC'D: <u>11-12-2025</u>	CITY CLERK: <u>Candace Antinaville</u>
FIRE DEPT: <u>St. Louis</u>	APPROVED ROUTE: <u>Mardi Gras Route</u>
POLICE DEPT: <u>[Signature]</u>	ROUTE MAP ATTACHED: <input type="checkbox"/> Yes <input type="checkbox"/> No
PUBLIC WORKS: <u>[Signature]</u>	EVENT FEE: <input type="checkbox"/> Paid \$ <u> </u> CHK# <u> </u>
SPORTS & RECREATION: <u>[Signature]</u>	<input type="checkbox"/> Waived: <u> </u>
MARKETING & EVENTS: <u>Angel Byrns</u>	PROOF OF INSURANCE REC'D: <input type="checkbox"/> Yes <input type="checkbox"/> No
** REVENUE: <u> </u>	

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-78**

**Retaining Officers & Employees
Resolution to Appoint the City Police Chief**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, IN
THE STATE OF ALABAMA:**

SECTION 1: That Brian Gulsby, an appointed employee, is hereby appointed as Chief of Police for the City of Daphne for a term that runs concurrent with the present administration's term in accordance with the Code of Alabama, 1975 Section 11-43-3, at the same rate of compensation and benefits as is presently in place, except that from time to time said compensation and benefits may be adjusted as City Council considers pay and benefit matters.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
DAPHNE, ALABAMA on this _____ day of _____, 2025.**

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-79**

**Retaining Officers & Employees
Resolution to Appoint the City Treasurer**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, IN
THE STATE OF ALABAMA:**

SECTION 1: That Kelli Reid, an appointed employee, is hereby appointed as City Treasurer for the City of Daphne for a term that runs concurrent with the present administration's term in accordance with the Code of Alabama, 1975 Section 11-43-3, at the same rate of compensation and benefits as is presently in place, except that from time to time said compensation and benefits may be adjusted as City Council considers pay and benefit matters.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
DAPHNE, ALABAMA on this _____ day of _____, 2025.**

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-80**

**Retaining Officers & Employees
Resolution to Appoint the City Attorney**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, IN
THE STATE OF ALABAMA:**

SECTION 1: That Jay Ross, with Adams & Reese, LLP, is hereby appointed as City Attorney for the City of Daphne for a term that runs concurrent with the present administration's term in accordance with the Code of Alabama, 1975 Section 11-43-3, at the same rate of compensation and benefits as is presently in place, except that from time to time said compensation and benefits may be adjusted as City Council considers pay and benefit matters.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
DAPHNE, ALABAMA on this _____ day of _____, 2025.**

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025-81**

**Retaining Officers & Employees
Resolution to Appoint the City Fire Chief**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, IN
THE STATE OF ALABAMA:**

SECTION 1: That LeAnn Tacon, an appointed employee, is hereby appointed as Chief of Fire for the City of Daphne for a term that runs concurrent with the present administration's term in accordance with the Code of Alabama, 1975 Section 11-43-3, at the same rate of compensation and benefits as is presently in place, except that from time to time said compensation and benefits may be adjusted as City Council considers pay and benefit matters.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
DAPHNE, ALABAMA** on this _____ day of _____, 2025.

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2025 - 82**

**A RESOLUTION DECLARING CERTAIN PERSONAL PROPERTY SURPLUS AND
AUTHORIZING THE MAYOR TO DISPOSE OF SUCH PROPERTY**

WHEREAS, the management of the City of Daphne has determined that the items listed below are no longer required for public or municipal purposes; and

WHEREAS, the items listed below are recommended for disposal.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA that

1. The property listed below is hereby declared to be surplus property; and

DEPT	EQ/VEH #	DESCRIPTION	VIN/SN
REV	1138	2006 FORD TAURUS	1FAFP53U96A175762
REC-SENIOR CTR	1441	2013 FORD ESCAPE	1FMCU0F76DUC63240

2. The Mayor is authorized to advertise and accept bids through Govdeals.com/Liquidity Services Operations LLC as contracted for the sale of such personal property; and
3. The Mayor is authorized to sell said property to the highest bidder and deposit any and all proceeds to the appropriate City fund. The Mayor is further authorized to direct the disposition of any property which is not claimed by any bidder and sign all necessary documents.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _____ day of _____, 2025.

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella MMC., City Clerk

CITY OF DAPHNE, ALABAMA

RESOLUTION 2025 - 83

PURCHASE AND DEVELOPMENT AGREEMENT

(Belrose Avenue – Search & Rescue Lot and Park Lot)

This Purchase and Development Agreement (this “**Agreement**”) is made and entered into as of the ___ day of _____, 2025 (the “**Effective Date**”), by and between the **CITY OF DAPHNE, ALABAMA**, an Alabama municipal corporation (the “**City**”), and **SISTERS (BALDWIN), L.L.C.**, an Alabama limited liability company (the “**Purchaser**”), whose principal office is 707 Belrose Ave., Daphne, AL 36526. The City and Purchaser are sometimes referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the City is the fee-simple owner of three (3) contiguous parcels located on Belrose Avenue in Daphne, Baldwin County, Alabama:

- **PPIN 63733** and **PPIN 9740**– located at the southeast corner of Belrose Avenue and 6th Street (together, the “**Park Lot**”); and
- **PPIN 53786** – located immediately west of PPIN 63733 and presently improved with a building used by the Daphne Search & Rescue Unit (the “**Search & Rescue Lot**”).

Both the Park Lot and the Search & Rescue Lot are more accurately described on **EXHIBIT “A”** attached hereto.

WHEREAS, Purchaser desires to acquire the Search & Rescue Lot from the City for the sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00), allow for a limited transitional occupancy period by the City, demolish the existing structure thereafter, and ultimately facilitate the construction of a high-quality single-family residence on the property; and

WHEREAS, the City desires to retain ownership of the Park Lot and to have it improved and maintained as a public park for the benefit of its residents and visitors, with Purchaser or a Purchaser affiliate funding the design and construction of all park improvements and thereafter assuming secondary responsibility for routine and supplemental maintenance of the Park Lot, as well as the Search & Rescue Lot; and

WHEREAS, the Parties further desire to establish their respective rights, responsibilities, and obligations with respect to: (i) the sale of the Search & Rescue Lot; (ii) the design, funding, construction, and ongoing maintenance of improvements to the Park Lot; (iii) the City’s temporary occupancy of the existing structure on the Search & Rescue Lot; (iv) the subsequent demolition of that structure; (v) the Purchaser’s construction of paver parking and sidewalks serving the Park Lot; and (vi) other related matters, all as more fully set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS

For ease of reference, the following terms shall have the meanings set forth below:

- (a) **“Closing”** and **“Closing Date”** have the meanings assigned in Section 3.
- (b) **“Improvements”** means all park features to be constructed or installed on the Park Lot by or on behalf of Purchaser in accordance with Section 5, including, without limitation, landscaping, irrigation, hardscape, lighting, benches, signage, and other fixtures or amenities approved by the City.
- (c) **“Maintenance”** means mowing, edging, litter removal, irrigation operation and repair, replacement of plant material, seasonal plantings, minor hardscape repairs, and other routine tasks necessary to keep the Park Lot and the Search & Rescue Lot in a neat, clean, and attractive condition consistent with first-class residential and municipal standards.
- (d) **“Project”** means, collectively, (i) acquisition of the Search & Rescue Lot by Purchaser, (ii) Purchaser’s funding and construction of the Improvements, (iii) the City’s demolition of the existing Search & Rescue building and asphalt following the termination of the City’s Temporary Occupancy (as defined in Section 4), (iv) the Purchaser’s construction of paver parking spaces and a sidewalk within or adjacent to the Park Lot, and (v) Purchaser’s ongoing Maintenance obligations described herein.

2. AGREEMENT TO PURCHASE AND SELL

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, the City agrees to sell, and Purchaser agrees to buy, the Search & Rescue Lot, together with all improvements, hereditaments, and appurtenances thereon, but excluding all personal property of the City.

2.2 Purchase Price. The total consideration for the Search & Rescue Lot shall be **Two Hundred Thousand and No/100 Dollars (\$200,000.00)** (the **“Purchase Price”**), to be paid by Purchaser to the City at Closing by wire transfer of immediately available federal funds.

2.3 Earnest Money. Within five (5) business days after the Effective Date, Purchaser shall deliver to **SENTINEL TITLE (“Escrow Agent”)** the sum of **Ten Thousand and No/100 Dollars (\$10,000.00)** as earnest money (the **“Deposit”**). The Deposit shall be applied to the Purchase Price at Closing or disbursed as otherwise provided herein.

2.4 As-Is Conveyance; Condition of Title. The City shall convey good and marketable fee-simple title to the Search & Rescue Lot by statutory warranty deed, free and clear of all liens and encumbrances other than permitted exceptions or matters of record. Except for the City’s express covenants and representations herein, Purchaser agrees to accept the Search & Rescue Lot in its **“AS-IS, WHERE-IS”** condition, with all faults.

3. CLOSING

3.1 Date and Location. Closing of the sale (the **“Closing”**) shall occur on or before December 1, 2025, or such other date as the Parties may mutually agree in writing (the **“Closing Date”**), at the offices of Escrow Agent or such other location as mutually agreed.

3.2 Closing Deliveries. At Closing, (a) the City shall deliver:

- (i) the statutory warranty deed;

- (ii) a non-foreign affidavit;
- (iii) an owner's affidavit;
- (iv) such other instruments reasonably required by the title company to issue Purchaser's owner's policy of title insurance; and
- (v) possession of the Search & Rescue Lot subject to the Temporary Occupancy described in Section 5.

(b) Purchaser shall deliver:

- (i) the Purchase Price (less the Deposit);
- (ii) the indemnity and insurance certificates required under Section 5.5; and
- (iii) such other documents as reasonably requested by the City or Escrow Agent.

3.3 Costs. Purchaser shall pay the premium for any owner's title insurance policy, recording fees for the deed, any transfer tax, and one-half (1/2) of any escrow fees. The City shall pay for the costs of recording for any curative items required to issue the owner's policy and the remaining one-half (1/2) of escrow fees. Each Party shall bear its own legal and due-diligence expenses.

4. TEMPORARY OCCUPANCY OF SEARCH & RESCUE BUILDING

4.1 Occupancy Period. Beginning on the Closing Date and continuing until the earlier of (a) the date on which the City notifies Purchaser in writing that it no longer requires use of the existing building, or (b) twelve (12) months after the Closing Date (the "**Occupancy Period**"), the City may occupy and use the existing Search & Rescue building solely for municipal search-and-rescue purposes (the "**Temporary Occupancy**").

4.2 Terms of Use.

(a) The City will maintain the building in substantially the same condition as existed on the Closing Date, reasonable wear and tear excepted.

(b) The City shall keep the structure insured under its blanket property and general liability policies, naming Purchaser as an additional insured during the Occupancy Period.

(c) Purchaser shall not unreasonably interfere with the City's use during the Occupancy Period but may enter upon reasonable notice to inspect or perform due diligence related to future demolition or construction.

4.3 Surrender. On or before expiration of the Occupancy Period, the City shall vacate the building, remove all personal property, and surrender the premises. The City shall thereafter demolish the structure and asphalt in compliance with applicable laws and regulations.

5. PARK LOT IMPROVEMENTS

5.1 Design and Approval. Within sixty (60) days after the Effective Date, Purchaser shall submit to the City conceptual plans and specifications for the Improvements. The City shall review and approve, approve with conditions, or disapprove such plans within ninety (90) days after receipt. Approval shall not be unreasonably withheld, conditioned, or delayed. Approved plans are referred to herein as the "**Approved Plans.**"

5.2 Construction. Purchaser, or a Purchaser affiliate, shall construct (or cause to be constructed) the Improvements, at Purchaser or its affiliate's sole cost and expense, diligently and in good and workmanlike manner consistent with the Approved Plans and all applicable laws, codes, and ordinances.

5.3 Schedule. Construction shall commence no later than ninety (90) days after the later of (i) the Closing Date, or (ii) receipt of all required permits, and shall be substantially complete within twelve (12) months thereafter, subject to force-majeure delays.

5.4 Alternative Procurement. At the City's written election delivered within thirty (30) days after approval of the conceptual plans, the City may choose to serve as the contracting entity for the Improvements. In that event, Purchaser shall deposit with the City, prior to commencement of work, the full amount of the winning bid plus a ten percent (10%) contingency, and the City shall contract for and oversee construction. Any unused funds shall be refunded to Purchaser upon completion.

5.5 Access, Indemnity, and Insurance.

(a) The City hereby grants to Purchaser and its contractors reasonable access over, across, and upon the Park Lot for purposes of constructing the Improvements.

(b) Purchaser shall indemnify, defend, and hold harmless the City, its elected officials, employees, and agents from and against any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to the construction activities of Purchaser, its contractors, or invitees on the Park Lot, except to the extent caused by the gross negligence or willful misconduct of the City.

(c) Prior to commencement of construction, Crucible Construction, LLC, shall obtain and maintain commercial general liability insurance with limits of not less than \$2,000,000 per occurrence and \$4,000,000 aggregate, naming the City as an additional insured on a primary and non-contributory basis, and shall provide the City with satisfactory certificates of insurance evidencing such coverage.

6. CITY PAVER PARKING AND SIDEWALK CONSTRUCTION

6.1 Scope of Work. The Purchaser, at its sole cost and expense, shall design, permit, and construct, within the public right-of-way or such other location approved by the City, (i) not fewer than fifteen (15) paver parking spaces serving the Park Lot and (ii) a sidewalk connection along Belrose Avenue (collectively, the "**Parking Improvements**").

6.2 Schedule Coordination. The Purchaser shall use good-faith efforts to complete the Parking Improvements substantially concurrently with Purchaser's completion of the Improvements; provided, however, the Parties acknowledge that the Parking Improvements may, in the Purchaser's discretion, be phased or delayed for budgetary or logistical reasons. The City shall coordinate construction schedules with Purchaser to minimize disruption.

7. MAINTENANCE RESPONSIBILITIES

7.1 Purchaser's Primary Responsibility. Upon the earlier of (i) substantial completion of the Improvements or (ii) the City's acceptance of the Parking Improvements, Purchaser shall assume secondary responsibility for Maintenance of both the Park Lot and the Search & Rescue Lot.

7.2 Purchaser's Supplemental Right. Notwithstanding Section 7.1, the City shall continue to perform Maintenance on the Park Lot and the Search & Rescue Lot. Purchaser shall have the right, but not the obligation, to perform further Maintenance at its discretion and expense.

7.3 Standard of Care. All Maintenance performed by Purchaser shall be consistent with best practices for comparable first-class residential developments and municipal parks in Baldwin County, Alabama.

8. ASSIGNMENT AND FUTURE RESIDENTIAL DEVELOPMENT

8.1 Permitted Assignment. Purchaser may assign all or part of its interest in the Search & Rescue Lot to a builder of its choosing for purposes of constructing a single-family residence substantially consistent with the architectural quality and character of surrounding residences. Purchaser shall provide the City written notice of any assignment together with the assignee's assumption agreement in form reasonably acceptable to the City.

8.2 Prohibited Transfers. Any assignment or transfer not expressly permitted in Section 8.1 shall be null and void unless approved in writing by the City, which approval shall not be unreasonably withheld for transfers to credit-worthy homebuilders agreeing to construct a comparable single-family residence.

9. REPRESENTATIONS AND WARRANTIES

9.1 Mutual Representations. Each Party represents and warrants to the other that: (a) it has full power and authority to enter into and perform this Agreement; (b) the execution and performance of this Agreement have been duly authorized by all necessary action; and (c) this Agreement constitutes a legal, valid, and binding obligation enforceable against such Party in accordance with its terms.

9.2 City's Additional Representations. The City further represents that, to the best of its knowledge, there are no pending or threatened condemnation actions, moratoria, or legal proceedings that would materially impair Purchaser's intended use of the Search & Rescue Lot for single-family residential purposes.

9.3 Purchaser's Additional Representations. Purchaser represents that it is acquiring the Search & Rescue Lot for the sole purpose of causing a single-family residence to be constructed and not with the intent to subdivide the lot or develop multi-family housing.

10. DEFAULT AND REMEDIES

10.1 Purchaser Default. If Purchaser defaults in the performance of any obligation prior to Closing and fails to cure within ten (10) days after written notice from the City, the City may terminate this Agreement and retain the Deposit as liquidated damages, whereupon neither Party shall have further liability hereunder except for obligations that expressly survive termination. The Parties agree that the Deposit constitutes a reasonable estimate of the City's damages in light of the difficulty of determining actual damages.

10.2 City Default. If the City fails to perform any obligation prior to Closing and fails to cure within ten (10) days after written notice from Purchaser, Purchaser may (a) elect to terminate this Agreement and receive a return of the Deposit, or (b) seek specific performance. The

foregoing remedies shall be Purchaser's sole and exclusive remedies for the City's pre-Closing default.

10.3 Post-Closing Defaults. For any default occurring after Closing, the non-defaulting Party may pursue any and all rights and remedies available at law or in equity, including specific performance, injunctive relief, and damages (except as limited in Section 10.1).

11. NOTICES

All notices required or permitted hereunder shall be in writing and shall be deemed given upon (i) personal delivery, (ii) deposit with a nationally recognized overnight courier for next-business-day delivery, or (iii) electronic mail transmission followed by delivery via (i) or (ii), addressed as follows (or to such other address as a Party may designate by notice):

As to the City:

City of Daphne
Attn: Mayor Robin LeJeune
1705 Main Street
Daphne, AL 36526
Email: mayorlejeune@daphneal.com

With a Copy to:

A. Patrick Dungan, Esq.
Adams & Reese LLP
11 N Water Street, Suite 23200
Mobile, AL 36601
Patrick.dungan@arlaw.com

As to Purchaser:

Sisters (Baldwin), L.L.C.
Attn: Nathan Cox
707 Belrose Ave.
Daphne, AL 36526
Email: ncox@68ventures.com

12. MISCELLANEOUS

12.1 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to conflict-of-law principles. Exclusive venue for any action arising out of or relating to this Agreement shall lie in the state courts of Baldwin County, Alabama.

12.2 No Joint Venture. Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the Parties.

12.3 Entire Agreement; Amendment. This Agreement (including all exhibits, which are incorporated herein by this reference) constitutes the entire agreement between the Parties with

respect to the subject matter hereof and supersedes all prior oral or written agreements. This Agreement may be amended only by a written instrument executed by both Parties.

12.4 Severability. If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect, and the invalid or unenforceable provision shall be replaced by a valid, enforceable provision that most closely reflects the Parties' original intent.

12.5 Waiver. No waiver of any breach or default hereunder shall be effective unless in writing and signed by the waiving Party, and no such waiver shall be deemed a waiver of any subsequent breach or default.

12.6 Successors and Assigns. Subject to the restrictions in Section 9, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

12.7 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. Signatures transmitted electronically (e.g., via PDF or DocuSign) shall be deemed original signatures for all purposes.

12.8 Time of Essence. Time is of the essence with respect to each and every obligation herein.

12.9 Further Assurances. The Parties shall execute and deliver such further documents and take such further actions as may be reasonably necessary to carry out the intent of this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the Parties hereto have executed this Purchase and Development Agreement as of the _____ day of _____, 2025.

CITY OF DAPHNE, ALABAMA

By: _____
Name: Robin LeJeune
Title: Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

SISTERS (BALDWIN), L.L.C.

By: _____
Name: Nathan L. Cox
Title: Manager

EXHIBIT "A"

[Insert Legal Description of property]

**CITY OF DAPHNE, ALABAMA
ORDINANCE 2025-22**

**AN ORDINANCE SETTING FORTH THE AUTHORIZATION OF CERTAIN
CITY OFFICIALS AS DESIGNATED SIGNATORIES ON VARIOUS
ACCOUNTS OF THE CITY OF DAPHNE, ALABAMA**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE,
ALABAMA, as follows:**

SECTION 1. The following Officers of the City of Daphne, Alabama, be and hereby are officially designated as the appropriate and authorized signatories on the various City accounts of the City of Daphne, Alabama:

Mayor	Robin LeJeune
Finance Director	Kelli Kichler Reid
Councilmember	Tommie Conaway
Councilmember	Stephanie Messinger

SECTION 2. All checks, drafts, and all other financial transfers shall be signed by two (2) of the above designated signatories.

SECTION 3. Any ordinance or resolution previously adopted which in any way conflicts with this Ordinance is hereby deemed repealed in its entirety, including, without limitation, Resolution 2015-42 which prescribed signatories for the Confiscated Funds account, as such account shall hereafter be subject to the signatory requirements of this Ordinance.

SECTION 42. The provisions of this Ordinance are severable. If any part of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, such declaration shall not affect the remaining parts.

SECTION 5. This Ordinance shall take effect and be in force from and after the date of its adoption by the City Council of the City of Daphne and publication as required by law.

**ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
DAPHNE, ALABAMA, THIS _____ DAY OF _____, 2025.**

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

I, Candace G. Antinarella, City Clerk of the City of Daphne, Alabama, do hereby certify that the attached is a true and correct copy of Ordinance No. ____, duly adopted by the City Council in their meeting of _____, as to which proper notice was given and at which a quorum was in attendance and acting. I further certify that the said ordinance has not been amended, repealed or revoked.

WITNESS my hand and seal of the City of Daphne, Alabama, this the ____ day of _____, 2025.

[SEAL]

Candace G. Antinarella, MMC
City Clerk of the City of Daphne, Alabama

AUTHORIZING ORDINANCE

relating to
the issuance of
Not to Exceed \$8,000,000.00
City of Daphne, Alabama
Limited Obligation Project Revenue Warrant (The Fortuna Hotel Project)
Series 2025

TABLE OF CONTENTS
to
AUTHORIZING ORDINANCE

relating to
the issuance of

Not to Exceed \$8,000,000
City of Daphne, Alabama
Limited Obligation Project Revenue Warrant (The Fortuna Hotel Project)
Series 2025

Section 1.	Definitions and Use of Phrases.....	5
Section 2.	Findings	8
Section 3.	Authorization and Description of the Warrants	9
Section 4.	Optional Redemption Provisions.....	10
Section 5.	Pledge of Special Pledged Tax; Deposit in Special Pledged Tax Account.....	10
Section 6.	Mandatory Sinking Fund Redemptions.....	11
Section 7.	Purchase of Warrants for Retirement	11
Section 8.	Form of Warrants.....	11
Section 9.	Execution of Warrants by City.....	16
Section 10.	Registration Certificate on Warrants	16
Section 11.	City Treasurer’s Certificate on Warrants	16
Section 12.	Registration and Transfer of Warrants.....	17
Section 13.	Exchange of Warrants.....	18
Section 14.	Dating of Warrants.....	18
Section 15.	[Reserved].....	18
Section 16.	Persons Deemed Owners of Warrants	18
Section 17.	Replacement of Mutilated, Lost, Stolen or Destroyed Warrants.....	18
Section 18.	General Provisions Respecting Redemption of Warrants.....	18
Section 19.	Special Pledged Taxes Account.....	19
Section 20.	Warrant Fund	19
Section 21.	Reserved	20
Section 22.	Conditions to Initial Issuance and Drawings of the Warrants.....	20
Section 23.	Flow of Funds among Special Pledged Taxes Account, and the Warrant Fund.	20
Section 24.	Reserved	20
Section 25.	Transfers or Payments Made through Transfers of Balances of Eligible Investments	20
Section 26.	Investment of Moneys in Funds and Accounts.....	20
Section 27.	Commingling of Moneys in Separate Funds and Accounts.....	21
Section 28.	Resignation of Paying Agent; Appointment of Successor.	22
Section 29.	Payment	22
Section 30.	Award of Warrants.....	22
Section 31.	[Reserved].....	22
Section 32.	Denominations of Warrants as Initially Issued and Initial Registered Owners	23
Section 33.	Provisions for Payment at Par	23
Section 34.	[Reserved].....	23
Section 35.	Creation of Contract.....	23
Section 36.	Covenant by Developer.	23
Section 37.	Notice.	23
Section 38.	Provisions of Authorizing Ordinance Severable	24
Section 39.	Closing	24
Section 40.	Validation Proceedings.....	24
Section 41.	Special Economic Development Grant and Project Agreement.	25

Section 42. Repealing Clause.....25
Section 43. Governing Law.....25

- Exhibit A - Legal Notice
- Exhibit B - Form of Investment Letter
- Exhibit C - Project Development Agreement

**CITY OF DAPHNE, ALABAMA
ORDINANCE 2025-23**

BE IT ORDAINED by the City Council of the CITY OF DAPHNE, ALABAMA, as follows:

Section 1. Definitions and Use of Phrases.

(a) Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations:

“**Annual Term**” means the period from January 1 to December 31 of the applicable calendar year.

“**Authorized Denominations**” means, with respect to the principal of the Warrants, the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof.

“**Authorizing Ordinance**” or “**Ordinance**” means this ordinance, as it may be amended or supplemented, which is also referred to as the Warrant Ordinance under the Project Development Agreement.

“**Business Day**” means any day other than Saturday, Sunday or a day on which banking institutions are required or authorized to close in the City or in the City of New York, New York.

“**City**” means the City of Daphne, Alabama.

“**City Clerk**” means the City Clerk of the City.

“**City Council**” means the City Council of the City and includes any other governing body of the City that may succeed to the functions of said City Council.

“**City Treasurer**” means the Finance Director of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commencement of Operations**” has the meaning assigned in the Project Development Agreement.

“**Developer**” means TFH DAPHNE 2026, LLC, an Alabama limited liability company, and its successors and permitted assigns, including, without limitation, any affiliate of Developer, any lender, mortgagee, or beneficiary of a deed of trust, that acquires

Developer's interest in the Project, Project Site, or this Agreement by foreclosure, deed in lieu, assignment, or other transfer.

“Drawing” means each installment of principal advanced under the Warrants pursuant to the terms of this Authorizing Ordinance.

“Economic Development Amendment” means Amendments 750 and/or 772 to the *Constitution of Alabama of 1901*, as amended, codified as Section 94.01 of the *Official Recompilation of the Constitution of Alabama of 1901*.

“Eligible Investments” means (i) Federal Securities, (ii) Eligible Time Deposits, and (iii) to the extent that they are at the time legal investments for the City, any of the following: (1) any direct, general obligation of, or any obligation payment of the principal of and interest on which is unconditionally guaranteed by, any one or a combination of agencies or corporations created or controlled by the United States of America if and to the extent that the obligations of such agencies and corporations are secured by the full faith and credit of the United States of America, including, without limitation, the following agencies or corporations: the Export-Import Bank of the United States, the Federal Financing Bank, the Farmer's Home Administration, the Federal Housing Administration, the Maritime Administration, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association; (2) any repurchase agreement or reverse repurchase agreement with any Qualifying Bank provided that such agreement is secured by obligations or securities described in clauses (i), (ii) and (iii)(1) of this definition; and (3) any share or other investment unit representing a beneficial interest in any money market fund which is registered under the Investment Company Act of 1940, as from time to time amended (or successor provision of federal law), provided that the investment portfolio of such money market fund consists of obligations and securities described in clauses (i), (ii), (iii)(1) and (iii)(2) of this definition; and (4) any Treasury Receipt.

“Eligible Time Deposits” means any time deposit with, or any certificate of deposit issued by, (i) any Qualifying Bank or (ii) any bank or savings bank, provided in the latter case that such time deposit or certificate of deposit is fully insured by the Federal Deposit Insurance Corporation or any agency or instrumentality of the United States of America that may succeed to the functions of either thereof or is secured by a deposit of Federal Securities having a market value at all times not less than the principal amount of such time deposit or certificate of deposit.

“Federal Securities” means direct obligations of the United States of America.

“Fiscal Year” means a fiscal year of the City, which is the period beginning on October 1 of each calendar year and ending on September 30 of the then next ensuing calendar year.

“fully paid”, “payment in full”, or any similar expression with respect to the Warrants, means that all of the Warrants have been paid in full or duly provided for pursuant to Section 29 hereof.

“Holder” means the person in whose name the ownership of a Warrant is registered on the registry books of the Paying Agent pertaining to the Warrants.

“Incentive Commencement Date” has the meaning assigned in the Project Development Agreement.

“Paying Agent” means the City Treasurer in her capacity as registrar, transfer agent and paying agent with respect to the Warrants, or any successor thereto in such capacity as appointed by the City.

“Project” has the meaning ascribed to such term in the Project Development Agreement.

“Project Development Agreement” means that certain Special Economic Development Grant and Project Development Agreement to be dated the date of its delivery, between the City and the Developer.

“Project Site” means the Fortuna Hotel Project, a hotel and commercial development situated in the City at the property more particularly described as the Project Site in the Project Development Agreement.

“Qualifying Bank” means any bank which is a member of the Federal Deposit Insurance Corporation (or any department, agency or instrumentality of the United States of America that may succeed to the functions of such corporation) and whose certificates of deposit are rated “A” by Moody’s Investors Service, Inc. or its successor.

“Special Pledged Taxes” means one hundred percent (100%) of the sales and use tax, lodgings tax and ad valorem tax levied by and paid to the City from business conducted in relation to the Project, or due to property owned, in the Project Site after Commencement of Operations through the Maturity Date (as defined in the Warrants), excluding any lodging tax levied by and paid to the City that is calculated on a dollar amount per night per room basis (but not excluding any lodging tax based on a percentage of the charge of such room, rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in relation to such rooms).

“Special Pledged Taxes Account” means the Fortuna Hotel Project Pledged Tax Account established hereunder by Section 19 hereof and maintained by the Paying Agent.

“Treasury Receipts” means custodial receipts or other instruments evidencing ownership in future principal or interest payments, or both, with respect to United States Treasury obligations that have been deposited with a custodian or trustee pursuant to a custody or trust agreement which provides for the United States Treasury obligations underlying such custodial receipts or other instrument to be held in a separate account and for all payments of principal and interest received by such custodian or trustee with respect to such underlying obligations to be paid to the Holders of such custodial receipts or other

instruments in accordance with their respective ownership interests in such underlying obligations, provided that the custodian or trustee holding such underlying obligations must be a Qualifying Bank.

“**Warrant Fund**” means the Fortuna Hotel Project Warrant Debt Service Fund created in Section 20 hereof and maintained by the Paying Agent.

“**Warrant**” or “**Warrants**” means the City’s Limited Obligation Project Revenue Warrant (Fortuna Hotel Project), Series 2025, herein authorized to be issued.

(b) Use of Phrases. “Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter,” and other equivalent words refer to this ordinance as an entirety and not solely to any particular portion in which any such word is used. The definitions set forth in Section 1(a) hereof include both the singular and the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. **Findings.** The City Council has ascertained and found and does hereby declare as follows:

(a) Pursuant to the authority granted to the City by the Economic Development Amendment, the City has entered into the Project Development Agreement.

(b) The undertakings by the City and the Developer in the Project Development Agreement including, without limitation, the undertaking regarding providing economic incentives to the Developer, meet the requirements for assistance by the City set forth in the Economic Development Amendment, because, among other things, the performance of the same will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

(c) The City does not expect to have sufficient funds in the near future to pay all of the costs of the undertakings by the City in the Project Development Agreement.

(d) Pursuant to the Economic Development Amendment and Section 11-47-2 of the *Code of Alabama*, as amended, the City is authorized to issue the Warrants to provide funds for providing economic incentives to the Developer; the issuance of the Warrants by the City is necessary, desirable and in the public interest; the City has determined that it is in the City’s best interest to provide incentives in order to facilitate the Project (as defined in the Project Development Agreement) and that the development of the Project (i) will advance the economic development of the City, (ii) will promote the convenience, order, propriety and welfare of its citizens, (iii) is a direct benefit to the City and its residents as a result of increased tax revenues to the City, increased property values and additional economic activity in the area of the City surrounding the Project, the creation of new jobs in relation to the Project, and the proportion of tourism related activities and provision of lodging in relation to the City, and (iv) will increase the tax and revenues base of the City

and result in employment opportunities in the City, and thus is in the best interest of the City and serves a valid and sufficient public purpose.

(e) Pursuant to the Economic Development Amendment, the City has caused the Notice attached hereto as **Exhibit A** (the “Notice”) to be published on [_____], 2025 in [_____ *name of newspaper* _____] with respect to certain actions proposed to be taken, and the Project Development Agreement proposed to be made and delivered, by the Developer, to provide for the economic development of the City thereby. The information set forth in the Notice is true and correct and the publication of the Notice is hereby satisfied and confirmed.

(f) The City finds and certifies that all procedural prerequisites of the Economic Development Amendment have been satisfied, including publication of the required public notice, and that the adoption of this Ordinance to authorize the Warrant is necessary, desirable, and in the public interest.

(h) It is necessary, desirable, and in the best interests of the taxpayers and citizens of the City for the City to deliver and perform the agreements and undertakings of the City set forth in the Project Development Agreement and this Ordinance.

(i) The City does hereby approve, ratify and confirm (i) the form and content of, and the statements set forth in, the Notice and (ii) the publication of the Notice as set forth in Section 1 of this resolution.

Section 3. Authorization and Description of the Warrants.

(a) Authorization of Warrants. 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 the Economic Development Amendment, and for the purposes set forth in the preceding Section 2 hereof, there are hereby authorized to be issued by the City its Limited Obligation Project Revenue Warrant (The Fortuna Hotel Project), Series 2025, which shall be issued in the principal amount of \$8,000,000.00; provided, however, that if insufficient Special Pledged Taxes are available on the Maturity Date (as provided in the Warrants) to the pay the total principal amount of \$8,000,000, no amounts in excess of the Special Pledged Taxes will be owed under the Warrant. The Warrants shall, subject to the provisions of Section 14 hereof, be dated the Issue Date, shall be numbered R-1 upwards and shall be issued initially to the Developer. The Warrants shall mature and become payable monthly on the last day of each month following the Incentive Commencement Date, in accordance with the Project Development Agreement, but not to be later than thirty (30) years from the date of issuance thereof pursuant to the Warrant Act, and shall not bear interest. The Warrants shall be initially issued and registered in the name of the Developer.

(b) Method of Payment. The principal of the Warrants shall be payable by check or draft mailed or otherwise delivered by the Paying Agent to the respective Holders thereof at their addresses as they appear on the registry books of the Paying Agent

pertaining to the registration of the Warrants; provided that the Paying Agent's records of the principal payments and outstanding principal balance will be controlling and further provided that the final payment of such principal shall be made only upon surrender of the appropriate Warrants to the Paying Agent. The foregoing to the contrary notwithstanding, a Holder of \$1,000,000 or more in principal amount of the Warrants may make arrangements with the Paying Agent for payment of the principal of such Warrants by wire transfer to an account such Holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Paying Agent.

(c) Source of Payment. The principal of the Warrants shall be payable solely from the proceeds, if any, of the Special Pledged Taxes. Neither the Warrants nor any of the agreements herein contained shall constitute a general indebtedness of the City. The general faith and credit of the City are not pledged for payment of the Warrants, which shall not be general obligations of the City. Neither this Authorizing Ordinance nor the Warrants shall be deemed to impose upon the City any obligation to pay the principal of the Warrants, except with the proceeds, if any, of the Special Pledged Taxes. The Warrants do not bear any interest. None of the agreements, representations and warranties made or implied in this Authorizing Ordinance shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after the breach by the City of any such agreement, representation or warranty, except with respect to the proceeds, if any, of the Special Pledged Taxes. Nothing contained in this subsection shall, however, relieve the City from the performance of the several agreements and representations on its part herein contained or in the Project Development Agreement.

Section 4. **Optional Redemption Provisions.** The Warrants shall be subject to redemption and prepayment prior to their maturity, at the option of the City, in whole or in part, at any time and at a redemption price equal to the principal amount thereof to be redeemed.

Section 5. **Pledge of Special Pledged Tax; Deposit in Special Pledged Tax Account.** The proceeds, if any, of the Special Pledged Taxes are hereby irrevocably pledged for the payment of the principal of the Warrants or for the purchase of the same on the open market. The said pledge shall begin on the date of Commencement of Operations and end on the twentieth (20th) anniversary of the Incentive Commencement Date, or such earlier date on which the Warrants shall have been paid in full or defeased in accordance with the provisions of Section 29 of this Authorizing Ordinance. The City represents that the said pledge for the Warrants is the only pledge made of the proceeds of the Special Pledged Taxes.

The City covenants that it will deposit, no later than ten (10) calendar days after the last Business Day of each calendar month, the Special Pledged Taxes into the Special Pledged Taxes Account; provided that, if there is a default in the payment of principal on the Warrants, the City shall immediately, upon the receipt of the said Special Pledged Taxes, deposit the same in the Special Pledged Taxes Account and immediately cause such Special Pledged Taxes, in appropriate amounts, to be paid to Developer from the Special Pledged Taxes Account and/or Warrant Fund to cure such default.

Section 6. **Mandatory Sinking Fund Redemptions.** The Warrants are required to be redeemed on the last day of each month, commencing on the applicable month immediately following the Commencement of Operations, and on each month thereafter, with the final scheduled mandatory redemption to occur on the date that is the earlier of (i) twenty (20) years after the Incentive Commencement Date or (ii) the principal amount of the Warrant (\$8,000,000.00) is paid in full, but not to be later than December 1, 2055, with the amount of each annual redemption of principal amount being equal to the amount of funds in the Special Pledged Taxes Account. The Warrants shall be redeemed at a redemption price equal to the principal amount to be redeemed. The redemption price shall be payable on each scheduled redemption date to the Holders of record as forty-five (45) days next preceding the date fixed for such redemptions.

Section 7. **Purchase of Warrants for Retirement.** The City may at any time and from time to time purchase Warrants for retirement using funds from the Warrant Purchase Fund, provided that (i) City shall provide Developer or Holder at least thirty (30) days prior written notice of such purchase, (ii) no purchase shall reduce or defer the City's obligations to deposit Special Pledged Taxes, and (iii) if less than all of the Warrant is purchased, application of the retired principal to scheduled payments shall be as directed by the Holder (or, absent direction, pro rata across remaining scheduled payments).

Section 8. **Form of Warrants.** The Warrants, the registration certificate, the City Treasurer's Certificate and the assignment pertaining thereto shall be in substantially the following forms, with such insertions, omissions and other variations, as may be necessary to conform to the provisions of this Authorizing Ordinance:

* * * * *

(Form of Warrant)

THIS WARRANT HAS NOT BEEN REGISTERED (i) UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS PROVIDED BY SAID ACT, OR (ii) UNDER ANY STATE SECURITIES LAW, IN RELIANCE UPON APPLICABLE EXEMPTIONS, AND MAY NOT BE TRANSFERRED WITHOUT REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION THEREFROM.

This Warrant may be transferred only to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Warrant. Each transferee shall be required to execute and deliver to the City an investment letter substantially in the form attached as Exhibit B to the hereinafter defined Authorizing Ordinance.

THIS WARRANT DOES NOT BEAR INTEREST

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF MOBILE, ALABAMA
LIMITED OBLIGATION SPECIAL TAX WARRANT
SERIES 2025 (TAXABLE)**

DATE OF WARRANT

MATURITY DATE

[_____], 2025

Not later than [_____], 20[___], as provided below

Subject to prior payment and other provisions as herein provided, the City Treasurer of the City of Daphne, Alabama, a municipal corporation in the State of Alabama (herein called the "City"), is hereby ordered and directed to pay to TFH DAPHNE 2026, LLC, an Alabama limited liability company, or its permitted registered assigns, to whom the City acknowledges itself indebted in the principal amount hereafter set out, the principal sum of EIGHT MILLION AND NO/100 U.S. DOLLARS (\$8,000,000.00) solely from the Special Pledged Taxes deposited in the Series 2025 Warrant Fund, at the times and in the manner hereinafter provided on the date specified above. This Warrant shall be in the principal amount outstanding from time to time from the date hereof (the "Issue Date"), until the maturity hereof. This Warrant shall not bear interest. The final principal amount of this Warrant shall be payable only upon presentation and surrender of this Warrant at the office of the City Treasurer at City Hall in Daphne, Alabama, or his or her successor as Paying Agent under the ordinance providing for the issuance of the Warrant hereinafter referred to (said office of the City Treasurer, together with his or her successors in such capacity, being herein called the "Paying Agent"). Notwithstanding any of the foregoing, a registered owner of \$1,000,000 or more in principal amount of the Warrant may make arrangements with the Paying Agent for payment of the principal of the Warrant to be made by wire transfer to an account of such registered owner maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Paying Agent.

This warrant is the duly authorized warrant of the City designated a Limited Obligation Special Tax Warrant, Series 2025, in the principal amount of \$8,000,000.00 (herein called the "Warrant"). The Warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Amendment 772 to the *Constitution of Alabama of 1901* (codified as Section 94.01 of the *Official Recompilation of the Constitution of*

Alabama of 1901) and Section 11-47-2 of the *Code of Alabama of 1975*, and an ordinance providing for the issuance of the Warrant duly adopted by the City Council of the City on [_____], 2025, (the "Authorizing Ordinance").

The Warrant is subject to redemption, at the option of the City, in whole or in part, at any time. Such redemption shall be at and for a redemption price equal to the principal amount thereof to be redeemed.

The Warrant is subject to scheduled mandatory redemption on the last day of each month, commencing on the applicable month immediately following the Commencement of Operations (as defined in the Special Economic Development Grant and Project Development Agreement between the City of Daphne, Alabama and TFH DAPHNE 2026, LLC, an Alabama limited liability company, dated as of [_____], 2025 (the "Development Agreement")), and on each month thereafter, with the final scheduled mandatory redemption to occur on the date that is the earlier of (i) twenty (20) years after the Incentive Commencement Date (as defined in the Development Agreement) or (ii) the principal amount of the Warrant (\$8,000,000.00) is paid in full, but not to be later than December 1, 2025, at and for a redemption price equal to the principal amount thereof to be redeemed. The principal amount to be so redeemed on each such last day of each month is set forth in Section 6 of the Authorizing Ordinance.

By the execution of this Warrant, the City acknowledges that it is indebted to the payee hereof in the principal amount hereof in accordance with the terms hereof and solely from the sources of payment provided for herein. The indebtedness evidenced and ordered paid by this Warrant is not a general obligation of the City, and the full faith and credit of the City are not pledged for payment thereof. The said Warrant is payable solely from the proceeds of the City's "Special Pledged Taxes." For purposes of this Warrant, the "Special Pledged Taxes" shall have the meaning assigned in Section 1 of the Authorizing Ordinance, levied by and paid to the City from business conducted at The Fortuna Hotel Project more particularly described in the Authorizing Ordinance as the "Project Site." The pledge of the Special Pledged Taxes shall end at midnight on that certain date that is twenty (20) years from the Incentive Commencement Date, or such earlier date on which the Warrant shall be paid in full or shall have been defeased in accordance with the provisions of Section 29 of the ordinance providing for the issuance of the Warrant. The City's obligation to make payments on this Warrant and to pledge the Special Pledged Taxes to repayment of this Warrant is subject to the terms and conditions of the Project Development Agreement and the Authorizing Ordinance. The Special Pledged Taxes are hereby pledged to the payment, and for the benefit, of this Warrant, subject to, in accordance with *Johnson v. Sheffield*, 183 So. 265 (Ala. 1938), the law-imposed requirement that, if necessary, there must first be paid from all funds and revenues for the City (including without limitation the Special Pledged Taxes) the legitimate and necessary governmental expenses of operating the City.

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 as a claim against the City in the manner provided by law; 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 or in the issuance of this Warrant do exist, have been performed and have happened in due and legal form; and that the indebtedness evidenced and

ordered paid by this Warrant, together with all other indebtedness of 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.

The Warrants are issuable only as a fully registered Warrant in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof. Provision is made in the Authorizing Ordinance for the exchange of the Warrant for a like aggregate principal amount of Warrants in authorized denominations, all upon the terms and subject to the conditions set forth in the Authorizing Ordinance.

Subject to the terms of an investment letter to be executed by the registered Holders hereof, this Warrant is transferable by the registered Holder hereof, in person or by authorized attorney, only pursuant to the requirements and conditions of the Project Development Agreement and the Authorizing Ordinance, only on the books of the Paying Agent, only upon surrender of this Warrant to the Paying Agent for cancellation, and upon receipt of an executed investment letter from the transferee in the form attached to the Authorizing Ordinance, and upon any such transfer a new Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Authorizing Ordinance. Each Holder, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Paying Agent are concerned, this Warrant may be transferred only in accordance with the provisions of the Project Development Agreement and the Authorizing Ordinance and the terms of an investment letter executed by the registered Holders hereof.

The Paying Agent shall not be required to transfer or exchange this Warrant during the period following the close of the Paying Agent's business on the forty-fifth day next preceding the date fixed for redemption of this Warrant.

The ordinance providing for the issuance of the Warrant provides that all payments by the City or the Paying Agent to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. ANY TRANSFEREE OF THIS WARRANT TAKES IT SUBJECT TO ALL PAYMENTS OF PRINCIPAL IN FACT MADE WITH RESPECT HERETO.

Execution by the Paying Agent of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed with the signature of the Mayor, has caused a facsimile of its official seal to be hereunto imprinted, has caused this warrant to be attested by the signature of its City Clerk, and has caused this warrant to be dated the date hereinafter specified.

CITY OF DAPHNE, ALABAMA

By _____
Mayor

Attest:

City Clerk

REGISTRATION CERTIFICATE

I hereby certify that this warrant has been duly registered by me at the time of issuance as a claim against City of Daphne, in the State of Alabama, and the Series 2025 Warrant Fund referred to herein.

Treasurer of City of Daphne

VALIDATION CERTIFICATE

Validated and confirmed by judgment of the Circuit Court of Baldwin County, State of Alabama entered on the ____ day of _____, ____.

Clerk of Circuit Court of Baldwin County, State of Alabama

REGISTRATION OF OWNERSHIP

This warrant is recorded and registered on the warrant register of City of Daphne in the name of the last owner named below. The principal of this warrant shall be payable only to or upon the order of such registered owner.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Authorized Officer of City</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

(Bank, Trust Company or Firm*)

By _____
(Authorized Officer)

Medallion Number: _____

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchange Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP)

* * * * *

Section 9. Execution of Warrants by City. The Warrants shall be executed on behalf of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be impressed on each of the Warrants; provided that the signatures of the said Mayor and the City Clerk on the Warrants may be facsimile or electronic signatures of the said officers imprinted thereon, and the seal of the City appearing on the Warrants may be facsimile or electronic of such seal imprinted thereon (it being understood that a condition to the validity of each Warrant is the appearance on such Warrant of a Registration Certificate, substantially in the form hereinabove provided, executed by the manual signature of an authorized officer of the Paying Agent and a City Treasurer's Certificate, substantially in the form hereinabove provided, executed by the manual, electronic, or facsimile signature of the City Treasurer of the City). Signatures on the Warrants by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrants, whether initially issued or exchanged for Warrants of different denominations from those initially issued.

Section 10. Registration Certificate on Warrants. A registration certificate by the Paying Agent, in substantially the form hereinabove recited, duly executed by the manual signature of an authorized officer of the Paying Agent, shall be endorsed on each of the Warrants and shall be essential to its validity. The City may impose no fee for registration or transfer other than customary out-of-pocket costs (e.g., shipping). Upon written direction from the Developer or Holder, the City shall make payments directly to any designated lender or permitted assignee until revoked by written notice.

Section 11. City Treasurer's Certificate on Warrants. A City Treasurer's Certificate by the City Treasurer of the City, in substantially the form hereinabove recited, duly executed by the manual, electronic, or facsimile signature of the said officer, shall be endorsed on each of the Warrants and shall be essential to its validity. Such certificate shall be conclusive of the due registration of the claim against the City represented by the Warrants.

Section 12. **Registration and Transfer of Warrants.** The Warrants shall be registered as to principal and shall be transferable only on the registry books of the Paying Agent pertaining to the Warrants, subject to the terms of an investment letter executed by the initial Holder of the Warrants. The Paying Agent shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified. The Warrants shall be transferable only on the transfer books of the Paying Agent. No transfer of any Warrants shall be valid hereunder unless such Warrants are presented at the office of the Paying Agent with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Paying Agent whereupon the City shall execute, and the Paying Agent shall authenticate and deliver to the transferee a new Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name any Warrant is registered on the books of the Paying Agent shall be the sole person to whom or on whose order payments on account of the principal thereof thereon may be made. The Warrants may not be assigned, hypothecated, pledged, or transferred except upon the prior written consent of the City as set forth in a resolution of the governing body of the City with respect thereto, unless such assignment, hypothecation, pledge, or transfer is permitted under the Project Development Agreement, e.g. Sections 5.04, 6.06, and 8.06 of the Project Development Agreement, which are incorporated herein by reference as if set forth in full. Each registered owner of any of the Warrants, by receiving or accepting such Warrants, shall consent and agree and shall be estopped to deny that, insofar as the City and the Paying Agent are concerned, the Warrants may be transferred only in accordance with the provisions of this Authorizing Ordinance, the Project Development Agreement and the terms of the investment letter, the form of which is attached as **Exhibit B** hereto. Notwithstanding the foregoing or anything herein or in the Project Development Agreement to the contrary, the City acknowledges and agrees that Developer's lender(s), mortgagee(s), beneficiary(ies) under a deed of trust, equity investor(s), or other parties holding interest in the Project or Developer may require a collateral assignment of the Developer's rights under the Warrants. In the event that any such collateral assignment is required, Developer shall have the right to collaterally assign its rights under this Ordinance and/or Warrants, whether at the closing of a construction loan or another time and from time to time. As a component of such collateral assignment of Developer's rights under this Ordinance and/or the Warrant, the City shall execute and deliver such consent(s) of collateral assignment and/or estoppel certificates in the form and substance reasonably required by Developer and/or such aforementioned interested parties for the Project, and if required by Developer and/or such aforementioned interest parties pursuant to the express terms of such collateral assignment form, the City will make payments under the Warrant directly to such interest parties.

The Paying Agent shall not be required to register or transfer any Warrant duly called for redemption (in whole or in part), during the period following the close of business of the Paying Agent's business on the forty-fifth (45th) day next preceding the date fixed for such redemption.

The Warrants may be transferred only to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; (iv) a sophisticated investor possessing

sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Warrants; or (v) Developer's lender(s), mortgagee(s), beneficiary(ies) under a deed of trust, equity investor(s), other parties holding interest in the Project or Project Site, or successor fee simple owners of the Project Site. Each transferee shall be required to execute and deliver to the City an investment letter in the form attached as **Exhibit B** hereto.

Section 13. **Exchange of Warrants.** Upon the request of the Holder of the Warrants, the City shall execute, and the Paying Agent shall register and deliver, upon surrender to the Paying Agent of such Warrant in exchange therefor, a Warrant in different Authorized Denominations of the same maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Warrant so surrendered, all as may be requested by the person surrendering such Warrant or Warrants; provided that the Paying Agent shall not be required so to register and deliver any of the Warrants in exchange for others during the period following the close of the Paying Agent's business on the forty-fifth (45th) day next preceding the date fixed for redemption of such Warrant or Warrants.

The registration, transfer and exchange of Warrants (other than pursuant to Section 17 hereof) shall be without expense of the Holder or transferee. In every case involving any transfer, registration or exchange, such Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 14. **Dating of Warrants.** All Warrants shall be dated the date of their delivery.

Section 15. **[Reserved]**

Section 16. **Persons Deemed Owners of Warrants.** The City and the Paying Agent may deem and treat the person in whose name a Warrant is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 17. **Replacement of Mutilated, Lost, Stolen or Destroyed Warrants.** In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed Warrants, if there is first furnished to the City and the Paying Agent evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Warrant.

Section 18. **General Provisions Respecting Redemption of Warrants.** Any optional redemption of the Warrants pursuant to the Authorizing Ordinance shall be effected in the following manner:

(a) The City Council shall adopt a resolution in which it shall call for redemption, when they are by their terms subject to redemption, of the Warrants (and, in case less than the entire

outstanding principal amount of the Warrants is to be redeemed, the principal amount thereof to be redeemed).

(b) The City (or the Paying Agent on its behalf) shall also cause to be forwarded by United States registered or certified mail to the registered owner of each Warrant the principal of which is to be redeemed in whole or in part, at the address of such registered owner as such address appears on the registry books of the Paying Agent pertaining to the Warrants, a notice stating the following: the Warrants bearing stated numbers (and, in case less than the entire outstanding principal amount of any Warrant is to be redeemed, the principal amount thereof to be redeemed) have been called for redemption and will become due and payable at the specified redemption price on a specified redemption date. Such notice shall be so mailed not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, but Holders of the Warrants may waive by written notice the requirements of this subparagraph with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrant.

(c) Not later than the date fixed for redemption, the City (i) shall deposit or cause to be deposited with, or otherwise make available to, the Paying Agent the total redemption price of the Warrants so called for redemption, and (ii) shall furnish to the Paying Agent a certified copy of the resolution referred to in the foregoing subparagraph (a) of this section.

When the provisions of the foregoing subparagraphs (a), (b) and (c) of this Section 18 have been complied with, the Warrants so called for redemption (or, in the case of the Warrants called for redemption in part, the portions thereof called for redemption) shall become due and payable (at the place or places at which the same shall be payable), at the redemption price and on the redemption date specified in such notice, anything herein or in the Warrants to the contrary notwithstanding, and the Holders of such Warrants shall then and there surrender them for redemption at the principal office of the Paying Agent in exchange for and conditioned upon one or more new Warrants in Authorized Denominations and in an aggregate principal amount equal to the unredeemed portion of the Warrant so surrendered, all as shall be requested by the Holder of such Warrant so called for partial redemption; and out of the moneys so deposited with it, the Paying Agent shall make provision for payment of the Warrants (or portions thereof) so called for redemption, at the redemption price and on the redemption date so specified.

Section 19. Special Pledged Taxes Account. There is hereby created an escrow account, the name of which shall be the “The Fortuna Hotel Project Special Pledged Taxes Account,” which shall be maintained as long as any of the Warrants are outstanding and unpaid. The Paying Agent shall be the depository, custodian and disbursing agent for the Special Pledged Taxes Account. Upon request of Developer or a Holder, the City or Paying Agent shall from time to time provide reasonable documentation evidencing amounts held in the Special Pledged Taxes Account.

Moneys on deposit in the Special Pledged Taxes Account shall be held therein and transferred to other funds from time to time in accordance with the provisions of Section 23 hereof.

Section 20. Warrant Fund. There is hereby created a special escrow fund, the name of which shall be the “The Fortuna Hotel Project Warrant Debt Service Fund,” for the purpose of

providing for the payment of the principal of the Warrants. The Warrant Fund shall be maintained until the principal of the Warrants shall have been paid in full, payment duly provided therefor in a manner which will cause the Warrants to be no longer outstanding, or the pledge of the Special Pledged Taxes has expired pursuant to the Project Development Agreement or the Authorizing Ordinance. The Paying Agent shall be the depository, custodian and disbursing agent for such fund. Upon request of Developer or a Holder, the City or Paying Agent shall from time to time provide reasonable documentation evidencing amounts held in the Warrant Fund. No transfer from the Warrant Fund to other City purposes shall occur until payment in full/defeasance of the Warrant or expiration of the pledge under this Ordinance.

Any moneys paid into the Warrant Fund shall be used solely for payment of the principal of the Warrants as the same mature and come due or the redemption price of Warrants as the same shall come due. All amounts deposited in the Warrant Fund shall be applied to the payment of principal of the Warrants within the timeframes specified in the Project Development Agreement.

Section 21. **[Reserved]**

Section 22. **[Reserved]**

Section 23. **Flow of Funds among Special Pledged Taxes Account and the Warrant Fund.** The moneys on deposit in the Special Pledged Taxes Account shall be paid into the Warrant Fund in an amount equal to the principal amount to be redeemed, in immediately available funds, on or before the applicable redemption date, until the Warrants are paid in full and at times and based on the schedule provided in this Ordinance and the Project Development Agreement.

Section 24. **[Reserved].**

Section 25. **Transfers or Payments Made through Transfers of Balances of Eligible Investments.** Whenever any provisions of this Authorizing Ordinance requires a transfer or payment of moneys to be made from any fund or account created under this Authorizing Ordinance to any other fund or account created under such ordinance, then, to the extent that the moneys held in the fund or account from which such transfer or payment is to be made are at the time invested in Eligible Investments, the Paying Agent may, in lieu of liquidating such Eligible Investments to obtain cash for making such payments or transfer, effect such payment or transfer by transferring, in its records, pertaining to such funds and accounts, Eligible Investments, or a portion thereof, in a principal amount equal to the amount of the required transfer or payment, provided that any required transfer or payment of moneys from one fund or account to another fund or account may be made by transferring principal amounts of Eligible Investments only if (i) such investments shall be authorized herein as investments for moneys held in the fund or account to which any principal amount of such investments shall be transferred and (ii) such investments shall mature, or be subject to redemption at the option of the Holder, on or before the date for which the required transfer or payment shall be needed in cash for the purposes of such fund or account.

Section 26. **Investment of Moneys in Funds and Accounts.** Subject to the right of the City specified below to direct the investment of moneys in the funds and accounts created hereunder, moneys held in any fund or account created hereunder shall be continuously invested

and reinvested by the Paying Agent in Eligible Investments which shall have the highest interest rate or profit potential among Eligible Investments reasonably known and available to the Paying Agent in the ordinary course of its business and which shall mature on such dates (or be subject to redemption at the option of the Holder thereof on such dates and at such stated prices) as will assure the availability of cash in each such fund or account to make any payments therefrom required by the provisions hereof. Subject to the provisions of Section 25 hereof, any Eligible Investments acquired by the Paying Agent pursuant to the provisions of this section shall be deemed at all times to constitute part of the fund or account from which the moneys were withdrawn to acquire such investments, and all income earned, profits realized and losses suffered by reason of the acquisition or disposition of such investments shall be credited or charged, as the case may be, to the particular fund or account to which such investment belongs except that earnings on investments in the Warrant Fund shall be deposited in the Special Pledged Taxes Account. In any determination of the amount of moneys at any time held in any trust fund or account created hereunder, all investments at any time forming a part thereof shall be valued at their then market value.

The Paying Agent may sell, redeem or otherwise convert into cash any Eligible Investments constituting a part of any of the funds or accounts created hereunder to the extent necessary (as the Paying Agent shall determine in the exercise of its sole discretion) to provide cash in such funds or accounts for any payments required by the provisions hereof to be made therefrom or to facilitate the transfers of moneys between various funds and accounts as may from time to time be required or permitted by the provisions hereof. Upon written request of an authorized representative of the City, the Paying Agent shall cause any investments constituting part of any of such funds or accounts to be sold, redeemed or otherwise converted into cash, but only if, in the case of investments constituting part of the Warrant Fund, such sale, redemption or other conversion into cash will not jeopardize the payment, when due, of the principal of the Warrants or the redemption price of any Warrants required to be redeemed.

In making any investment of moneys held in any of the funds or accounts created hereunder, the Paying Agent will follow such instructions as may be given to it by an authorized representative of the City, but only if and to the extent that such instructions are not inconsistent with the applicable provisions hereof. The Paying Agent shall not be liable for any losses incurred in connection with investments made or disposed of in accordance with the provisions of this section. Notwithstanding anything herein, the selection, holding, or disposition of any Eligible Investments (and any gain or loss thereon) shall not reduce, defer, or excuse the City's obligations to deposit Special Pledged Taxes into the Warrant Fund and to apply such amounts to Warrant payments in required amounts and when due.

Section 27. Commingling of Moneys in Separate Funds and Accounts. Any provisions of the Authorizing Ordinance to the contrary notwithstanding, moneys held in any fund or account created hereunder may be commingled and combined with moneys held in another fund or account for the purpose of making investments under the provisions of Section 26 hereof, subject to the following conditions:

- (a) all interest, income or profit realized from any such commingled investment shall be credited, and all losses resulting therefrom shall be charged, to each such fund or

account in the same respective proportions as the amount invested from each such fund or account bears to the total amount so invested; and

(b) no moneys forming a part of any such fund or account shall be invested in any investments other than such as are herein expressly authorized for such fund or account.

Section 28. Resignation of Paying Agent; Appointment of Successor. The Paying Agent may resign and be discharged from the duties hereby created by causing written notice specifying the effective date of such resignation to be forwarded by United States registered or certified mail, postage prepaid, to the City and to every registered owner of a Warrant. Unless the effective date of the Paying Agent's resignation shall coincide with the appointment of a successor Paying Agent by the registered owner of the Warrant as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City and the registered owners of the Warrant shall have been mailed.

If the Paying Agent shall resign, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor shall be appointed by the City. Every successor Paying Agent appointed pursuant to this section, unless it is the City acting through its officer or employee, shall be a trust company or bank authorized to administer trusts and having, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$100,000,000, if there be such an institution willing, qualified and able to accept appointment as Paying Agent on reasonable and customary terms. The City shall provide Developer and any Holder reasonable written notice of any such events and reasonable documentation specifying the successor Paying Agent and shall, at City's sole costs and expense, pay all fees and charges in the connection with the replacement of the Paying Agent.

Section 29. Payment. When the Warrants shall have been paid and discharged in full, and there shall have been paid all fees and charges of the City and the Paying Agent due or to become due through the date on which the Warrant is retired, then the obligations of this Authorizing Ordinance and the Warrants, except as provided below, shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture, including the cancellation and discharge of the lien hereof.

Section 30. Award of Warrants. The Warrants are awarded to the Developer in consideration of its undertakings as provided in the Project Development Agreement.

Section 31. Reporting; Project-Level Accounting; Confidentiality. The City shall provide monthly deposit reports and quarterly accountings of Special Pledged Taxes and Warrant Fund activity in reasonable detail available from City records and shall maintain reasonable account coding to track Project receipts where practicable. Confidential taxpayer data will be handled consistent with applicable law; non-public information furnished by Developer shall be treated as confidential to the maximum extent permitted by law.

Section 32. **Denominations of Warrants as Initially Issued and Initial Registered Owners.** The Warrants shall be initially issued as a single fully registered Warrant payable to the Developer in accordance with the schedule provided in this Ordinance and the Project Development Agreement.

Section 33. **Provisions for Payment at Par.** Each bank or office at which the Warrants shall at any time be payable by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expense. The City agrees with the Holders of the Warrants that the City will pay all charges for fees and expenses which may be made by such bank in the making of remittances in bankable funds of the principal of the Warrants.

Section 34. **Assignments; Lender Protections; Direct Payment; Estoppel Certificates; Transfers.** Developer may assign or collaterally assign its rights under this Ordinance and the Warrant to any Lender or assignee in accordance with Sections 5.04, 6.06, and 8.06 of the Project Development Agreement or as otherwise permitted thereunder, and subject to the terms of the Investment Letter. The City shall execute consents/recognitions and estoppel certificates reasonably requested and, if directed in writing by Developer or Holder, shall make payments directly to such Lender/assignee. Any Lender/assignee shall have the right to cure Developer defaults within the same periods afforded to Developer after notice. Upon written request by Developer (or any designated purchaser, transferee, or Lender), the City shall within fifteen (15) days deliver an estoppel certificate in the form reasonably requested by Developer (customary contents), permitted to be relied upon by the addressee and its successors/assigns.

Section 35. **Creation of Contract and Amendments to this Ordinance.** The provisions of the Authorizing Ordinance shall constitute a contract between the City and each Holder of the Warrants.

Section 36. **Covenant by Developer.** The Developer acknowledges that the City has advised it that the City intends to redeem the Warrants on the earliest practicable date and to redeem them as sufficient funds are available from the Special Pledged Taxes Account from time-to-time. The Developer shall also provide the City's Executive Financial Director estimated construction commencement dates and estimated construction completion dates, as requested in writing by the said Executive Financial Director.

Section 37. **Notice.** All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the party or to an officer of the party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, return receipt requested, or sent by overnight courier, addressed as follows:

- (a) If to the Developer:

TFH Daphne 2026, LLC
c/o 68 Ventures

707 Belrose Ave.
Daphne, AL 36526
Attention: Nathan Cox; Caldwell Cunningham; Cameron Thatcher

with a copy to:

Byrd Campbell, P.A.
180 Park Avenue North, Suite 2A
Winter Park, FL 32789
Attention: James Campbell; James Wallace; Jake Paglialonga

(b) If to the Paying Agent:

City of Daphne, Alabama
Attention: Mayor
1705 Main Street
Daphne, Alabama 36526

with a copy to:

Adams and Reese, LLP
Attention: A. Patrick Dungan
11 North Water Street, Suite 23200
Mobile, Alabama 36602

Any party may change its address for receiving notice by giving notice of a new address in the manner provided herein.

Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or the next business day, if sent by overnight courier.

Section 38. **Provisions of Authorizing Ordinance Severable.** The provisions of the Authorizing Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of the Authorizing Ordinance.

Section 39. **Closing.** The Mayor is authorized to take all actions which may be necessary or desirable to sell and close on the Warrants, including but not limited to signing the necessary documents, certificates and instruments relating to this Authorizing Ordinance, the Warrants and the Project Development Agreement on behalf of the City, and taking all other steps that the Mayor, in his sole discretion, may deem necessary. The Mayor and the City Clerk and City Treasurer are each authorized to take all actions and to execute all documents necessary to complete the issuance of the Warrants.

Section 40. **Validation Proceedings.** Subject to the terms of the Project Development Agreement, the Council hereby authorizes and directs Adams and Reese LLP, to file a complaint

in the Circuit Court of Baldwin County, Alabama, commencing judicial proceedings for the validation of the Warrant (including without limitation, validation of the issuance of the Warrant, the sources for the payment of the Warrant, and the proceedings authorizing the issuance of the Warrant) and to take such actions and follow such procedures as in their judgment shall be necessary for the successful prosecution of such suit. Such validation proceedings may present for judicial determination such issue or issues as such law firm may consider to be necessary and appropriate in order to address and resolve any legal uncertainties related to the issuance of the Warrant. Validation shall encompass this Ordinance, the Project Development Agreement, the Warrant, and the pledge of Special Pledged Taxes, to the extent required by applicable law.

Section 41. **Special Economic Development Grant and Project Development Agreement.** The Mayor and City Clerk are hereby authorized to execute and deliver on behalf of the City a Project Development Agreement in substantially the form attached hereto as **Exhibit C**, with any revisions thereto as may be approved by the Mayor of the City, with such execution and delivery to be conclusive proof of the Mayor's approval.

Section 42. **Repealing Clause.** All prior ordinances, orders, resolutions or proceedings of the City Council, in conflict with the provisions of this Ordinance, shall be, and the same are, hereby repealed, rescinded and set aside, but only to the extent of such conflict.

Section 43. **Governing Law.** This Authorizing Ordinance shall be governed by the laws of the State of Alabama.

[City Clerk signature page to follow]

ADOPTED this _____ day of _____, 2025.

[S E A L]

Robin LeJeune, Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

EXHIBIT A
Legal Notice
(See Attached)

EXHIBIT B

Form of Investment Letter

_____, 2025

City of Daphne, Alabama
1705 Main Street
Daphne, AL 36526

Re: Not exceeding [\$8,000,000] City of Daphne, Alabama, Limited Obligation Project Revenue Warrant (Fortuna Hotel Project), Series 2025

Ladies and Gentlemen:

The undersigned is the purchaser of the above-captioned issue of warrants (the "Warrants"), issued by the City of Daphne, Alabama (the "City") pursuant to that certain Authorizing Ordinance adopted by City Council of the City on [_____] (the "Authorizing Ordinance"). In connection with such purchase, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Warrants.

If the undersigned is an individual accredited investor (as defined in Rule 501(A)(5) or (6) under the Securities Act of 1933, then (check the applicable box(es)):

A natural person whose individual net worth as of the date hereof (including the net worth of the Purchaser's spouse if the Purchaser is married) exceeds \$1,000,000. For purposes of this document, the term "net worth" shall not include the value of, or the amount of indebtedness secured by, the primary residence of the Purchaser; provided, however, if the primary residence is secured by indebtedness in an amount in excess of the value of such residence, such excess indebtedness shall be deducted from the Purchaser's net worth.

A natural person who had an individual income that exceeded \$200,000 or joint income with his or her spouse in excess of \$300,000 in each of the two most recent years and reasonably expects that in the current year his or her or their income will reach the same level. For purposes of this document, the term "income" shall mean adjusted gross income, as reported or to be reported for Federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) amounts contributed to an Individual Retirement Account (as defined by the Internal Revenue Code (the "Code")) or Keough retirement

plan, (ii) any deductions for depletion (pursuant to Section 611 et seq. of the Code), (iii) the amount of any tax-exempt interest (pursuant to Section 103 of the Code) received, (iv) any losses claimed as a limited partner of a limited partnership (as reported in Schedule E of Form 1040); (v) alimony paid; and (vi) any elective contributions to a cash or deferred arrangement under Section 401(k) of the Code.

2. The undersigned is purchasing the Warrants for investment for its own account and is not purchasing the Warrants for resale, distribution, or other disposition, and the undersigned has no present intention to resell, distribute, or otherwise dispose of all or any part of the Warrants. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Warrants (or any legal or beneficial interest therein), it will resell or otherwise dispose of the Warrants only to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the “1933 Act”), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Warrants. The undersigned further agrees that it will not sell, transfer, assign, or otherwise dispose of the Warrants or any legal or beneficial interest therein except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either of such Acts, and the applicable securities laws of any state or other jurisdiction. The undersigned acknowledges that the Warrants: (a) are not being registered under the 1933 Act and are not being registered or otherwise qualified for sale under the securities or “Blue Sky” laws of any state; (b) are being sold to the undersigned in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the undersigned set forth herein; (c) will not be listed on any stock or other securities exchange; (d) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc., or any other similar rating service; and (e) may not be readily marketable.

3. The undersigned has investigated the Project financed by the Warrants as more particularly set forth in the Special Economic Development Grant and Project Development Agreement dated _____, 2025 (the “Project Development Agreement”) by and between the City and TFH DAPHNE 2026, LLC (the “Developer”) and has investigated the Developer. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Developer, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Warrants. The undersigned acknowledges that the Developer has made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Developer concerning the Project and the Developer and that the undersigned has not relied upon the City in connection with such inquiry and analysis. The undersigned acknowledges that the Warrants do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Alabama or any political subdivision thereof, other than the City, within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Alabama or any political subdivision thereof, other than the City, is pledged to the payment of the principal of the Warrants. The

undersigned acknowledges that the Warrants are not a general obligation of the City, but are limited and special revenue obligations of the City payable solely from the Special Pledged Taxes (as defined in the Authorizing Ordinance). The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Authorizing Ordinance or the Warrants shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the City in his or her individual capacity. The undersigned acknowledges that neither the State of Alabama nor any political subdivision thereof, other than the City, shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the City and that no breach thereof by the City shall create any obligation upon the State of Alabama or any political subdivision thereof.

In reaching the conclusion that it desires to acquire the Warrants, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Warrants.

4. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the City, the Warrants (including the security therefor), the Project, or the Developer has been or will be prepared and that it has made its own inquiry and analysis with respect to the City, the Warrants (including the security therefor), the Project, the Developer, and the other material factors affecting the security and payment of the Warrants and that the undersigned has in no way relied upon the City or Bond Counsel (as defined in the Authorizing Ordinance) in connection with such inquiry or analysis.

5. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Developer, the Project, and the Warrants, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the above-stated principal amount of the Warrants.

6. The form, terms and provisions of the Authorizing Ordinance, the issuance, sale and delivery of the Warrants, the maturities, redemption terms and sale price of the Warrants, and the sale of the Warrants to be used for the cost of financing the Project, all as provided in the Authorizing Ordinance and the Warrants, are hereby in all respects approved.

[signature page follows]

This Investment Letter shall be binding upon the undersigned.

Very truly yours,

[NAME OF PURCHASER]

By: _____

Name: _____

Title: _____

EXHIBIT C

Project Development Agreement

(See Attached)

SPECIAL ECONOMIC DEVELOPMENT GRANT AND PROJECT AGREEMENT

This SPECIAL ECONOMIC DEVELOPMENT GRANT AND PROJECT AGREEMENT (this “Agreement”) is made and entered as of _____, 2025 (the “Effective Date”), by and between the CITY OF DAPHNE, ALABAMA, an Alabama municipal corporation (the “City”), and TFH DAPHNE 2026, LLC, an Alabama limited liability company (including its successors and permitted assigns, collectively, the “Developer”). City and Developer are each at times referred to herein as a “Party” and collectively the “Parties.”

Recitals

WHEREAS, the Developer owns certain real property, consisting of approximately 2.00± acres, located within the City of Daphne, as more particularly described in Exhibit A attached hereto (the “Project Site”);

WHEREAS, the Developer intends to develop a boutique hotel project known as the “The Fortuna Hotel” on the Project Site, which will consist of the construction and operation of a 70-room boutique hotel with a high-end restaurant (on a relative basis), bar, gym, courtyard, and event space meeting the requirements of this Agreement, including without limitation Section 4.01 of this Agreement (the “Project”) all of which are anticipated to generate significant economic activity and tax revenue for the City;

WHEREAS, the City has determined that providing economic incentives to support the Project will further the economic development goals of the City and promote the prosperity and welfare of its residents;

WHEREAS, pursuant to Amendment No. 750/772 of the Constitution of Alabama of 1901, as amended, (the “Enabling Law”) and other applicable law, the City is authorized to provide certain incentives to promote economic development;

WHEREAS, the City hereby finds and determines that the provision of the financial incentives for the Project set forth in this Agreement, being generally amounts equal to a portion of certain City-levied taxes at the Project and City-charged fees in relation to the Project, will further the economic development and prosperity of and employment opportunities within the City;

WHEREAS, the City hereby determines that the expenditure of public funds for the Project will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to the Developer; namely, augmentation of the tax base of the City; and the provision of valuable employment opportunities for residents of the City;

WHEREAS, the City shall take all steps required by Enabling Law, including public notice(s) and meeting(s), and shall cause the Warrant (as defined herein) and related obligations to be validated in the Circuit Court of Baldwin County (the “County”); and

WHEREAS, the City, acting pursuant to Enabling Law, finds and determines that waiving certain municipal permitting, application, plan review, inspection, development, business licensing and other municipal fees and charges related to the development, construction and operation of the Project serves a valid and sufficient public purpose and constitutes a lawful grant of a thing of value in support of economic development in accordance with Enabling Law; and the City agrees to waive such City Fees (as defined below) to the maximum extent permitted by law as further set forth herein.

Agreement

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the City and the Developer hereby agree as follows:

ARTICLE 1
RECITALS AND DEFINITIONS

The Parties hereby acknowledge and agree that the Recitals set forth above are true and correct in all material respects and are incorporated into and made a part of this Agreement by this reference as if fully set forth herein.

In addition to the terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms shall have the following meanings:

“**Agreement**” means this Special Economic Development Grant and Project Agreement.

“**Annual Term**” means the period from January 1 to December 31 of the applicable calendar year.

“**City**” means the City of Daphne, Alabama.

“**City Fee**” means any and all municipal fees and charges imposed or collected by the City (or its departments) in connection with the approval, development, construction, commissioning, fit-out and operation of the Project, including permit, application, plan review, inspection, development /connection, building permit, right-of-way, sign, zoning/land use, certificate of occupancy, business license/tax receipt and other municipal fees and charges; excluding only (i) impact fees, if applicable and in effect, (ii) third-party pass-through charges imposed by another governmental entity or utility and required by non-waivable state law, and (iii) true user rates for ongoing utility consumption.

“**City Fee Waiver**” means the waiver of City Fees granted pursuant to Enabling Law and this Agreement.

“**Commence Construction**” or “**Commencement of Construction**” shall mean the first date that any physical site work is being performed, using appropriate equipment and manpower,

to develop and equip the Project and install necessary infrastructure to accomplish the objectives of the Project, including without limitation clearing, grading, demolition, excavation, installation of utilities, placement of footings or foundations, or other on-site construction activity.

“Commence Operations” or **“Commencement of Operations”** or **“Commencing Operations”** shall mean the first date that each of (a) the building(s) constructed for the Project has been issued a permanent or temporary certificate of occupancy following application therefor by the Developer from the appropriate governmental authority, (b) the Developer is operating the building(s) as the Project and (c) the Developer delivers to the City an officer’s certificate, in a form and substance satisfactory to the City, certifying that the Minimum Investment has occurred.

“Developer” means TFH Daphne 2026, LLC, and its successors and permitted assigns, including, without limitation, any affiliate of Developer, any lender, mortgagee, or beneficiary of a deed of trust, that acquires Developer’s interest in the Project, Project Site, or this Agreement by foreclosure, deed in lieu, assignment, or other transfer.

“Enabling Law” means Amendment No. 750/772 of the Constitution of Alabama of 1901, as amended.

“Incentive Commencement Date” means the first day of the calendar month following the month in which Commencement of Operations occurs.

“Minimum Investment” has the meaning set forth in Section 4.01 of this Agreement.

“Project” has the meaning set forth in the Recitals.

“Project Site” has the meaning set forth in the Recitals.

“Special Pledged Taxes” means one hundred percent (100%) of the sales and use tax, lodgings tax, and ad valorem tax levied by and paid to the City from business conducted in relation to the Project, or due to property owned, in the Project Site after Commencement of Operations through the Maturity Date (as defined in the Warrants), excluding any lodging tax levied by and paid to the City that is calculated on a dollar amount per night per room basis (but not excluding any lodging tax based on a percentage of the charge of such room, rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in relation to such rooms).

“Termination Date” means the earlier of (i) the twentieth (20th) anniversary of the Incentive Commencement Date or (ii) the date on which the City has paid the Developer the full amount of \$8,000,000 in Special Pledged Taxes.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

SECTION 2.01 The City

The City is duly organized as a municipal corporation under the laws of the State of Alabama. The City represents that the City has the power and authority to enter into this Agreement, pursuant to the Enabling Law, and to carry out its obligations hereunder and by proper action the City has duly authorized the execution, delivery, and performance of this Agreement. The City has or shall perform all acts required by Enabling Law, including without limitation notice and public meeting requirement, to enter into this Agreement and validate this Agreement and the Warrant. Neither the authorization, execution and delivery of, nor the performance of, this Agreement by City, violates, constitutes a default under or a breach of (a) any agreement, instrument, contract, mortgage, ordinance, resolution or indenture to which the City is a party or to which the City or its assets or properties are subject; or (b) any law, judgment, decree, order, resolution, rule, regulation, consent or ordinance applicable to the City or any of its assets or properties. There is not now pending nor, to the knowledge of the City, threatened, any litigation affecting the City which questions (i) the validity or organization of the City, (ii) the members, titles or positions of the members of the governing body or the manner in which the officers of the City are selected or (iii) the subject matter of this Agreement. Except for approvals, resolutions, notices, ordinances or other actions or waiting periods already obtained, maintained or observed, as the case may be, no approval, resolution, hearing, notice, ordinance or other action or waiting period is required in order for the Agreement to constitute the legally binding obligation of the City. This Agreement, upon its execution and delivery, shall become the legally binding obligation of the City enforceable in accordance with its terms.

SECTION 2.02 The Developer

The Developer hereby represents as follows:

(a) The Developer is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Alabama and is duly qualified to do business in the State of Alabama.

(b) The Developer has the limited liability company power and authority to enter into this Agreement and to carry out its obligations hereunder and by proper limited liability company action the Developer has duly authorized the execution, delivery and performance of this Agreement.

(c) No consent or approval by, or filing with, any governmental authority in the State of Alabama is required for the execution or delivery of this Agreement by the Developer or for the full effectiveness or enforceability thereof under the laws of the State of Alabama.

(d) Except as otherwise disclosed in writing to City by Developer as of the date hereof and from time to time hereafter, there is no action, suit, proceeding, inquiry or investigation pending before any court or governmental authority, or threatened in writing against or affecting the Developer, which involves the consummation of the transactions contemplated by, or the validity of, this Agreement.

ARTICLE 3

DURATION OF AGREEMENT

SECTION 3.01 General

This Agreement and the obligations of the City and the Developer herein shall become effective as of the Effective Date and shall remain in effect until the Termination Date, except with respect to any provision or term herein which expressly survives termination of this Agreement and remains in effect from and after the Termination Date.

SECTION 3.02 Early Termination by the City

The City shall have the right to terminate this Agreement early if the Company fails to Commence Operations on or prior to August 1, 2030; provided, however, such deadline shall be extended automatically to the extent that the Developer is prevented or hindered from Commencing Operations due to any of the following causes beyond the Developer's reasonable control: (1) acts of God, storm, hurricane, tropical storm/depression, tornado, earthquake, or other natural disaster or extreme weather event, epidemic, pandemic, or other public health emergency, (2) flood, fire or explosion, (3) war, invasion, riot or other civil unrest, (4) governmental order or law, (5) actions, embargoes or blockades in effect on or after the date of this Agreement, (6) action by any governmental authority, (7) national or regional emergency, (8) strikes, labor stoppages or slowdowns or other industrial disturbances, (9) shortage of adequate power or transportation facilities, failure of power, interruption of utilities, or other infrastructure outages, or (10) any third-party challenge, protest, appeal, or litigation relating to the Project's land-use or development approvals, permits, or other governmental authorizations, or any action, proceeding, or litigation challenging this Agreement, its validation, and/or the issuance or validity of the Warrants. (a "Force Majeure Event"). Upon a Force Majeure Event, the affected Party shall provide written notice of the occurrence of the Force Majeure Event to the other Party and shall be entitled to an extension of any applicable deadlines under this Agreement for the period of delay actually caused thereby, with such deadline automatically extended in increments of thirty (30) days for as long as the Force Majeure Event continues or prevents or hinders performance by the Party. In no event shall a Force Majeure Event (i) constitute a default by Developer, (ii) serve as a basis for City's termination of this Agreement or reduction, suspension, or recapture of incentives, or (iii) shorten or otherwise impair the incentive term, incentive commencement, or any payment obligation of the City.

ARTICLE 4
AGREEMENTS AND OBLIGATIONS OF THE DEVELOPER

SECTION 4.01 Agreements of the Developer Regarding City Special Economic Development Grant Funds and City Fees

The Developer covenants and agrees with the City that Developer shall:

(a) Pay or provide for the costs of the Project and cause the Project to be constructed pursuant to the requirements of this Agreement. The Project will include a minimum investment (including without limitation amounts attributable the Project Site and/or land for the Project, soft costs, professional services costs, attorneys fees, financing or loan costs, insurance costs, development and construction costs, personal property costs, operational costs, and other costs or expenditures of Developer or its affiliates/principals associated with the Project, whether or not such amounts are financed, borrowed, advanced, or considered equity expenditures) by Developer in capital improvements and related Project costs of approximately Thirty Million Dollars (\$30,000,000) (the “Minimum Investment”). The Developer will Commence Construction of the Project by August 1, 2028, and will Commence Operations on or before August 1, 2030, subject to any extensions for one or more Force Majeure Event. An officer of the Developer will certify to the City, prior to receiving payment on the Warrant, that it has met the Minimum Investment and that Commencement of Operations has occurred. Notwithstanding the foregoing or anything herein to the contrary, in the event Developer provides reasonable documents or materials to the City to evidence the Minimum Investment has occurred in the approximate amount stated herein, such shall be conclusive evidence that Developer has made the Minimum Investment, and in any event, the City shall have no right to audit Developer’s records, financials, or materials related to the Minimum Investment.

(b) In the construction of the Project, comply with all regulations, rules and ordinances of the City with respect thereto.

(c) The Developer shall proceed with the development of the Project in a commercially reasonable manner and shall proceed on a commercially reasonable schedule as economic conditions allow or as otherwise determined by Developer in its reasonable discretion. For clarification purposes, the requirements for Commencement of Construction in Section 4.01(a), for Commencement of Operations in Section 4.01(a) and any other requirements for timing in this Agreement will control, subject to any extensions for one or more Force Majeure Event.

(d) In the development and operation of the Project, have The Fortuna Hotel as the anchor hotel of the Project. Notwithstanding the foregoing or anything herein to the contrary, Developer shall have the right, in its sole and absolute discretion at any time and from time to time, to enter into, modify, replace, or terminate any franchise, branding, licensing, soft-brand, or management arrangement and re-franchise, re-brand, or re-flag the Project without City consent or approval and without affecting City’s obligations or incentives, so long as the Project continues

to include a full-service hotel and the resulting brand or franchisor is reasonably comparable to or better than the prior brand (deemed satisfied if the resulting brand or franchisor is within the Smith Travel Research upscale (4th level) chain scale, equivalent thereto, or higher). A temporary unbranded transition period of up to twelve (12) months is permitted for any change.

(e) The Developer shall be responsible for all costs incident to the Project, other than the City's costs and City Fees pursuant to the City Fee Waiver, including costs for acquisition and preparation of the Property for design, development, financing, construction, acquisition and installation costs of the Project, and for payment of its own fees with respect to the development of the Project, including, but not limited to, legal, accounting, engineering, surveying, title work, architectural, construction and environmental services.

(f) Reimburse the City for (i) the costs and legal fees relating to this Agreement and the Warrant and validation proceedings, if any, relating to the same, and (ii) any and all reasonable costs (including reasonable attorneys' fees and expenses) arising out of or resulting from any challenge to this Agreement, the Project, or the Warrant in any validation proceedings or Amendment 750/772 proceedings relating to the same, or litigation challenging the City's authority to enter into the same. Developer shall reimburse the City for its costs and legal fees incurred to date within thirty (30) days following execution of this Agreement, and shall reimburse the City for the balance of its costs and legal fees related to validation within thirty (30) days of a final ruling in the validation proceedings. The City may pursue an appeal of any adverse final ruling in the validation proceedings; provided, however, that Developer shall not be required to reimburse the City for any costs or legal fees incurred in connection with such appeal unless Developer has consented in writing to the appeal. The City shall provide Developer with reasonable documentation, bills, and/or invoices evidencing amounts to be reimbursed under this subsection. Upon written request of Developer, City or City's legal counsel shall provide reasonable documentation and information concerning the validation proceedings, and the City shall provide Developer prompt written notice if this Agreement is challenged in any validation proceedings or any materially adverse events occur in relation to the validation proceedings. The agreements and covenants of this Section 4.01 (f) shall survive the expiration or termination of this Agreement.

(g) Comply, and cause its officers, agents, contractors and employees to comply, with all applicable federal, state, and local statutes, regulations, rules, ordinances and other laws applicable to the Project.

(h) The plans and specifications for the Project shall be subject to the reasonable approval of the City. The City agrees that its approval will not be unreasonably withheld, conditioned, or delayed and the City acknowledges that the plans and specifications of the Project may change numerous times and from time to time as leases and other contracts are executed for the Project and as may be reasonably required throughout the development of the Project. Such approval shall not amount to an approval of the Project's conformity with applicable building codes and other usual inspection approvals by the City applicable to any new construction in the

City, which such approval process shall proceed in the normal course, provided that, to the extent reasonably possible, the City shall expedite its review in the permitting, licensing, approvals, and certificates of occupancy processes to permit development, construction, Commencement of Construction and the Commencement of Operations for the Project to proceed on an expedited basis. The City covenants not to intentionally and/or wrongfully delay or fail to issue any permits, licenses, approvals, certificates of occupancy or other consents applicable in the Project in the ordinary course of business of the City.

SECTION 4.02 Special Agreements of Developer

The Developer covenants and agrees with the City:

The Developer agrees to defend, protect, indemnify, and hold harmless the City, its agents, employees, and members of its governing body, from and against all claims or demands, including actions or proceedings brought thereon, and all costs, expenses, and liabilities of any kind relating thereto, including reasonable attorney’s fees and costs of suit, arising out of or resulting from any of the following, provided, however, that the foregoing indemnity will not extend to the gross negligence or willful misconduct of the City, its agents, employees, and members of its governing body: (i) this Agreement, (ii) any construction activity performed by Developer, or anyone claiming by through, or under Developer; and (iii) any loss of life, personal injury, or damage to property arising from or in relation to the entry upon, construction, use, operation or occupancy of the Project, including, without limitation, tenants, customers and invitees of the Project and/or Developer. The agreements and covenants in this Section 4.02 shall survive the termination of this Agreement.

SECTION 4.03 City Fee Waiver Cooperation of Developer

Developer shall (a) identify applicable City Fees and provide reasonable supporting information for City’s waiver and administration thereof; (b) ensure applicants reference the City Fee Waiver and any City Fee Waiver certificate/letter when applying for permits, licenses, approvals or other items with an associated City Fee; and (c) promptly notify the City of any inadvertently assessed or paid City Fees so that refund/credit may be processed as provided in this Agreement.

ARTICLE 5

AGREEMENTS AND OBLIGATIONS OF THE CITY

SECTION 5.01 Agreement of City Regarding Special Economic Development Grant Funds

The City covenants and agrees with the Developer that:

(a) In order to provide economic incentives to and to reimburse the Developer for capital expenditures and related Project costs incurred in the development, construction, and

operation of the Project, the City shall issue a warrant to the Developer as further provided in Article 6 hereof (the “Warrant”) in accordance with (i) (A) the Enabling Law, (B) Section 11-47-2 of the Code of Alabama (1975) and (C) other constitutional and statutory authority supplemental thereto ((A), (B) and (C), collectively the “Warrant Act”), and (ii) an ordinance to be duly adopted by the City authorizing the issuance of the Warrant in the principal amount of not less than Eight Million and NO/100 Dollars (\$8,000,000) (the “Warrant Ordinance”).

(b) [Intentionally Deleted.]

(c) Notwithstanding anything in this Agreement to the contrary, the City shall have no obligation to pay any Special Pledged Taxes or any other payment which may otherwise accrue hereunder at any time that an Event of Default by the Developer has occurred and is continuing, provided that such obligation of the City shall recommence upon Developer’s cure of such an Event of Default. The City shall be entitled to offset any payments due to the Developer under this Agreement against documented amounts owed to the City by the Developer.

(d) The City shall provide for the coordination and submission of the Amendment 750/772 Resolution of the City, the Warrant Ordinance and the issuance of the Warrant, and procedures and requirements related thereto, and, upon issuance of the Warrant, the City shall establish a segregated Warrant Fund (as defined in the Warrant Ordinance) to receive and pay out all Special Pledged Taxes to Developer, to be administered by the Paying Agent .

(e) The City, in cooperation with Developer and its legal counsel (if any), shall cause the obligations of the City under this Agreement, the Warrant Ordinance and the Warrant to be validated and confirmed by a judgment to be entered by the Circuit Court of Baldwin County, Alabama, in accordance with Section 6-6-755 of the Code of Alabama (1975), or other applicable statutes or authority, and the obligations and covenants of the City under this Agreement, the Warrant Ordinance and the Warrant, including, without limitation, adoption of appropriate proceedings, execution of pleadings and providing such documentary and testimonial evidence as shall be reasonably required in furtherance of such validation proceeding. In the event this Agreement is challenged during the validation proceedings and such challenge(s) results in an adverse ruling, the City and Developer shall reasonably and in good faith confer to determine the basis for such adverse ruling and, to the extent permitted by law, cooperate to amend, modify, or supplement this Agreement, the Warrant Ordinance, and the Warrant as necessary to cure or address the matters giving rise to the adverse ruling, and to resubmit the amended documents for validation or approval in a manner that is intended to permit the issuance of a favorable validation judgment. Pending such efforts, all performance deadlines shall be tolled, and neither party shall be deemed in default solely by reason of an adverse ruling in validation proceedings.

(f) The City acknowledges and agrees that Developer and/or successor owner of the Project Site may engage a third-party or affiliated management company to manage the Project’s day-to-day operations and that branding, trademarks, intellectual property, trade dress, logos, and other intellectual property used at or in relation to the Project may be owned or controlled by such management company and/or a hotel franchisor or brand. The use of a management company,

franchisor, and/or the ownership or control of branding or IP by such party shall not constitute an Event of Default, shall not require City consent or approval, and shall not be deemed an assignment of this Agreement, the Warrant Ordinance, or the Warrant. For the avoidance of doubt, Developer remains liable for all obligations hereunder, and any change in management or brand shall not diminish the City's rights or the Developer obligations under this Agreement.

SECTION 5.02 Agreement of City Regarding City Fee Waiver

The City covenants and agrees with the Developer that:

(a) Acting pursuant to Enabling Law, and as part of the City's special economic development support for the Project, the City hereby grants a City Fee Waiver of all City Fees with respect to the permitting, approval, development, construction, commissioning, fit-out and operation of the Project to the maximum extent permitted by applicable law. This Agreement shall constitute the City's Fee Waiver and be sufficient evidence of the City's Fee Waiver; Developer's presentation of this Agreement to any City department, official, employee, or agent shall constitute sufficient evidence for the City and such city personnel to waive a City Fee.

(b) The City shall (i) direct all City departments to recognize the City Fee Waiver and to issue permits, approvals and licenses without assessing City Fees; (ii) issue to Developer a Fee Waiver Certificate/Letter for presentation with applications; and (iii) designate a City administrator to coordinate and resolve fee-related questions promptly.

(c) If any City Fees are inadvertently assessed against or paid by Developer, the City shall, within thirty (30) days after written notice, refund such amounts or credit them against other amounts (if any) otherwise payable by Developer to the City.

(d) The City Fee Waiver applies only to municipal fees within the City's control and does not waive: (i) charges that state law expressly prohibits a municipality from waiving; (ii) levies imposed by non-City entities; or (iii) pass-through fees collected solely on behalf of another governmental entity or utility.

(e) The City Fee Waiver is a binding obligation of the City granted pursuant to Enabling Law and this Agreement, and shall not be offset against amounts payable under the Warrant or otherwise reduce the City's obligations regarding the Warrant Fund or Special Pledged Taxes. The City shall not repeal or materially impair the City Fee Waiver as applied to the Project after the Effective Date of this Agreement, except to the extent required by a change in applicable law of general application.

SECTION 5.04 Developer’s Rights Under the Warrant and City Fee Waivers

The Parties acknowledge and agree that Developer’s lender(s), mortgagee(s), beneficiary(ies) under a deed of trust, equity investor(s), or other parties holding interest in the Project or Developer may require a collateral assignment of the Developer’s rights under this Agreement and/or the Warrant. In the event that any such collateral assignment is required, Developer shall have the right to collaterally assign its rights under this Agreement and/or the Warrant, whether at the closing of a construction loan or another time and from time to time. As a component of such collateral assignment of Developer’s rights under this Agreement and/or the Warrant, the City shall execute and deliver such consent(s) of collateral assignment and/or estoppel certificates in the form and substance reasonably required by Developer and/or such aforementioned interested parties for the Project, and if required by Developer and/or such aforementioned interest parties pursuant to the express terms of such collateral assignment form, the City shall provide the benefits, abatements, and waivers under this Agreement and/or the Warrant directly to such interest parties. Furthermore, the Parties acknowledge and agree that Developer shall have the right to transfer Developer’s rights, benefits, and obligations under this Agreement, the Warrant, and/or Warrant Ordinance as provided in Section 8.06(c) hereof.

**ARTICLE 6
THE WARRANT**

SECTION 6.01 Warrant Provisions

The City covenants and agrees to promptly conduct appropriate proceedings and satisfy necessary requirements to adopt the Warrant Ordinance and issue the Warrant. The Warrant, in accordance with the Warrant Ordinance and the Warrant Act, shall:

- (a) have a maturity date on the twentieth (20th) anniversary of the Incentive Commencement Date, which is a maturity date not exceeding thirty (30) years from the date of issuance thereof pursuant to the Warrant Act;
- (b) not bear interest;
- (c) to the extent permissible under applicable law, be evidenced and structured so as to be exempt under Alabama law from the constitutional debt limit of the City;
- (d) be payable only if the Developer is in compliance with its obligations under this Agreement; and
- (e) be payable monthly on the last day of each month following the Incentive Commencement Date solely from, and secured solely by, the Special Pledged Taxes, and shall not constitute a general obligation, or charge against the general credit or taxing power, of the City.

SECTION 6.02 Repayment

The Warrant Ordinance shall provide that the Special Pledged Taxes shall be applied to the payment of the debt service on the Warrant until the earlier of (i) the date that is twenty (20) years from the Incentive Commencement Date or (ii) the Warrant is paid in full (i.e., \$8,000,000.00), and that any all other taxes or revenues relating to the Project Site shall be retained by the City to be used for any lawful purposes.

SECTION 6.03 Costs of Issuance

If not otherwise reimbursed to the City or paid directly by Developer pursuant to the terms of this Agreement, the costs of issuance of the Warrant shall be withheld by the City from the Special Pledged Taxes prior to repayment of amounts owed under the Warrant to the Developer.

SECTION 6.04 Conditions

The conditions on which the funds under the Warrant will be drawn by the Developer will be set forth in detail in the Warrant Ordinance.

SECTION 6.05 [Intentionally Deleted.]

SECTION 6.06 Developer's Rights Under the Warrant

The Parties acknowledge and agree that Developer's lender(s), mortgagee(s), beneficiary(ies) under a deed of trust, equity investor(s), or other parties holding interest in the Project or Developer may require a collateral assignment of the Developer's rights under this Agreement, Warrant, and/or Warrant Ordinance. In the event that any such collateral assignment is required, Developer shall have the right to collaterally assign its rights under this Agreement, Warrant, and/or Warrant Ordinance, whether at the closing of a construction loan or another time and from time to time. As a component of such collateral assignment of Developer's rights under this Agreement, the Warrant, and/or the Warrant Ordinance, the City shall execute and deliver such consent(s) of collateral assignment and/or estoppel certificates in the form and substance reasonably required by Developer and/or such aforementioned interested parties for the Project, and if required by Developer and/or such aforementioned interest parties pursuant to the express terms of such collateral assignment form, the City will make payments under the Warrant directly to such interest parties.

ARTICLE 7

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01 Events of Default

Any one or more of the following shall constitute an event of default by the City or the Developer hereunder (an "Event of Default") under this Agreement:

(a) default in the performance, or breach, by the City of any covenant or warranty of the City in this Agreement (including without limitation the City's failure to make any payment or reimbursement to Developer when due under this Agreement, the Warrant, and/or the Warrant Ordinance; provided, however, that such a payment or reimbursement will be considered timely made if made within ten (10) business days of the due date thereof), and the continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the City by the Developer a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder, provided that if such default is of a kind which cannot reasonably be cured within such thirty-day period (e.g., excluding a default in City's obligations to make payments to Developer), the City shall have a reasonable period of time within which to cure such default, not to exceed ninety (90) days, provided that it begins to cure the default promptly after its receipt of such written notice and proceeds in good faith, and with due diligence, to cure such default;

(b) default in the performance, or breach, by the Developer of any covenant or warranty of the Developer in this Agreement, and the continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the Developer by the City a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder, provided, that if such default is of a kind which cannot reasonably be cured within such thirty-day period, the Developer shall have a reasonable period of time within which to cure such default, provided that it begins to cure the default promptly after its receipt of such written notice and proceeds in good faith, and with due diligence, to cure such default, provided that during any Developer Event of Default and prior to cure, the City shall continue to deposit Special Pledged Taxes into the Warrant Fund (as defined in the Warrant Ordinance) but may withhold disbursement; upon cure, the City shall release and payout all withheld amounts.; or

(c) initiation of bankruptcy, reorganization, liquidation, dissolution or receivership proceedings of the Developer, whether voluntary or involuntary, which are not withdrawn or dismissed within 60 days thereafter, or the Developer's making an assignment for the benefit of creditors (except as expressly contemplated in Section 6.05 hereof).

SECTION 7.02 Remedies

(a) Each party may, upon the occurrence of an Event of Default and the expiration of any cure or grace period therefor, by written notice to the other party, terminate this Agreement and the obligations thereof without recourse except with respect to such rights or obligations as shall have theretofore vested or which shall be set forth in agreements or provisions which by the express terms thereof survive such termination of this Agreement.

(b) Each party hereto may proceed to protect its rights and interests by suit in equity, action at law or other appropriate proceedings, provided that only Developer (and any successor

or permitted assignee) may seek specific performance; the City shall have no right to specific performance or mandatory injunctive relief against Developer, including any order to construct, complete, open, operate, maintain, brand, or make capital expenditures for the Project; otherwise, City and Developer may seek any remedy available at law or in equity, provided that the City shall not be entitled to and hereby waives any and all rights to seek and/or recover any punitive, incidental, or consequential damages, whether arising at law or in equity related to this Agreement, the Warrant, Warrant Ordinance, and/or the Project.

SECTION 7.03 Remedies Subject to Applicable Law

All rights, remedies and powers provided by this Agreement may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that the same will not render this Agreement invalid or unenforceable.

ARTICLE 8
PROVISIONS OF GENERAL APPLICATION

SECTION 8.01 Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, and the basis of the bargain between the parties hereto is not destroyed or rendered ineffective thereby, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 8.02 Prior Agreements Cancelled

This Agreement (including any agreements and exhibits referred to herein) constitutes the entire agreement among the parties hereto and supersedes any prior understandings, agreements or representations by or among the parties hereto, whether written or oral, to the extent they relate to the subject matter hereof. No stipulations, agreements or understandings of the parties hereto shall be valid or enforceable unless contained in this Agreement. None of the parties hereto shall hereafter have any rights under any of such prior agreements, but shall look to this Agreement for definition and determination of all of their respective rights, liabilities and responsibilities relating to the matters contained herein.

SECTION 8.03 Counterparts

This Agreement may be executed in counterparts, including electronic counterparts, each of which shall constitute but one and the same agreement and shall be deemed an original.

SECTION 8.04 Binding Effect; Governing Law

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective permitted successors and assigns except as otherwise provided herein.

(b) This Agreement shall be governed exclusively by the laws of the State of Alabama.

(c) Any suit, action, or proceeding by any party hereto against any other party hereto arising out of or relating to this Agreement or any transaction contemplated hereby shall only be brought in the state courts in Baldwin County, Alabama, and each party hereto hereby submits to the exclusive jurisdiction of such courts for the purpose of any such suit, action, or proceeding.

SECTION 8.05 Notices

(a) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the party or to an officer of the party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, return receipt requested, or sent by overnight courier, addressed as follows:

To City:
City of Daphne
Attn: Mayor
With a copy to City Attorney
1705 Main Street
Daphne, AL 36526

To Developer:
TFH Daphne 2026, LLC
c/o 68 Ventures
707 Belrose Ave.
Daphne, AL 36526
Attn: Nathan Cox; Caldwell Cunningham;
Cameron Thatcher

With copy to:
Byrd Campbell, P.A.
180 Park Avenue North, Suite 2A
Winter Park, FL 32789
Attention: James Campbell; James Wallace;
Jake Paglialonga

Any party may change its address for receiving notice by giving notice of a new address in the manner provided herein.

(b) Any such notice or other document shall be deemed to be received as of (i) the date delivered, if delivered personally, (ii) the date delivered, as evidenced by the signed return receipt, if delivered by registered or certified mail, or (iii) the next business day, if sent by overnight courier.

SECTION 8.06 Delegation and Assignment of this Agreement; Transfer of the Project

(a) Except as otherwise provided in Section 6.06 or 8.06(c) of this Agreement, the Developer shall not have the authority or power to, and shall not, assign, hypothecate, pledge, or transfer any interest or right of the Developer in or to this Agreement, or assign, delegate or transfer any duty or obligation of the Developer to observe or perform any agreement, covenant or obligation of the Developer under this Agreement, to any person or entity except upon the prior written consent of the City as set forth in a resolution of the governing body of the City with respect thereto. Notwithstanding the foregoing or anything herein to the contrary, Developer shall have the right, without the consent or other approval of City, to assign or otherwise transfer Developer's interests in or to the Project or any portions thereof, and in, to, or under this Agreement, the Warrant, and/or Warrant Ordinance to an affiliate of Developer. Additionally, notwithstanding anything in this Agreement to the contrary, Developer shall have the right, without the consent or other approval of City, to lease, re-lease, sublease, assign, or transfer restaurant portions of the Project and related operational duties and responsibilities to a third-party, provided that such third-party shall operate a high-end restaurant (on a relative basis) at the Project.

(b) The City shall not have the authority or power to, and shall not, assign, delegate or transfer any duty or obligation of the City to observe or perform any agreement, covenant or obligation of the City under this Agreement except upon the prior written consent of the Developer, or any successor or assign thereof approved by the City to the extent required under Section 8.06(a).

(c) Notwithstanding anything in this Agreement, the Warrant, and/or Warrant Ordinance to the contrary, Developer may sell, convey, or otherwise transfer all or any portion of the Project and/or its ownership interests in the Project or Developer without City consent, provided that Developer has achieved the Commencement of Operations and operated the Project for a period of four (4) years from the date of Commencement of Operations. In the event of such permitted transfer, Developer will deliver to City not less than thirty (30) days' prior written notice identifying the transferee (and if requested by City, reasonable documentation supporting the satisfaction of the foregoing condition) and the contemplated date that such transfer will be consummated, and at or prior to such consummation, the transferee will execute and deliver to the City a written assumption of Developer's obligations under this Agreement, the Warrant, and/or Warrant Ordinance (to the extent of the interests being transferred). Upon such delivery, all of Developer's rights (including the right to receive City Fee Waivers and reimbursements/payments under the Warrant) and obligations with respect to the interests transferred shall automatically run to and be binding upon the transferee (to the extent of the interests transferred), and Developer shall be released from obligations accruing after the transfer with respect to the interests transferred (but shall remain responsible for any accrued and uncured obligations as of the date of consummation). Any subsequent transfer(s) may occur on the same terms or as otherwise expressly allowed under this Agreement. City shall update its records and the Warrant register to reflect any such transfer upon receipt of customary documentation in accordance with the Warrant Ordinance.

SECTION 8.07 Amendments, Modification and Non-Waiver

This Agreement may be amended or supplemented only by an instrument in writing duly authorized, executed and delivered by each Party hereto. No waiver by any Party of any breach or default of any term, condition, or provision hereof shall be deemed a waiver of any other or subsequent breaches or defaults of any kind, character, or description under any circumstance. No waiver of any breach or default of any term, condition, or provision hereof shall be implied from any action of either Party and any such waiver, to be effective, shall be set out in a written instrument signed by the waiving Party.

SECTION 8.08 Limitation of Liability

Other than the liability for failure to issue and pay the Warrant pursuant to the terms of this Agreement, the City shall not be liable to Developer for any commercial loss, inconvenience, loss of use, time, data, goodwill, revenues, profits or savings, or other loss; or other special, indirect, consequential or incidental damages which, in any manner directly or indirectly, is connected with or arises out of the agreements or obligations of Developer contemplated by this Agreement, or is connected with or arises out of any of the obligations of the City, or arises out of the failure of the City to perform any of the obligations made by and imposed under this Agreement, regardless of whether such special, indirect, consequential or incidental damage is contended, or ultimately shown or held, to be caused, in whole or in part, by the acts or omissions of the City. This limitation of liability shall survive the expiration or termination of this Agreement.

SECTION 8.09 Relationship of the Parties

The City and Developer agree that nothing contained in this Agreement, nor any act of Developer or any act of the City shall be deemed or construed by either of the parties hereto, or by third persons, to create any relationship of a third party beneficiary hereof, or of principal and agent, or of a limited or a general partnership or of a joint venture or of any association or relationship between Developer and the City other than as independent contractors in a contract entered into at arm's length. Notwithstanding any of the provisions of this Agreement, it is agreed that the City has no investment or equity interest in the business of Developer and shall not be liable for any debts of Developer, nor shall the City be deemed or construed to be a partner, joint venturer or otherwise interested in the assets of Developer, nor shall Developer at any time or times use the name or credit of the City in purchasing or attempting to purchase any equipment or supplies or other things whatsoever.

SECTION 8.10 Estoppel Certificates

Upon written request from Developer (with respect to any purchaser, transferee, or lender for the Project, as designated by Developer), the City shall, within fifteen (15) days, execute and deliver an estoppel certificate in the form and substance reasonably requested by Developer, addressing such customary matters as Developer reasonably specifies, and permitting reliance by

the addressee and its successors and assigns. If the City fails to deliver within such period, then at Developer's election, the City shall be deemed to have certified that (i) this Agreement and the Warrant Ordinance (including the Warrant) are in full force and effect with no written notice of any uncured Developer Event of Default, and (ii) the City asserts no offsets or defenses to payment under the Warrant as of that date. The City shall not unreasonably withhold, condition, or delay any such estoppel certificate.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY:

CITY OF DAPHNE, ALABAMA

By: _____
Robin LeJeune, Mayor

{SEAL}

ATTEST:

Candace G. Antinarella, MMC, City Clerk

DEVELOPER:

TFH DAPHNE 2026, LLC

By: _____

Name: _____

Its: _____

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public in and for the State and County aforesaid, hereby certify that _____, whose name as _____ of [68Ventures Entity] and a [_____], is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said [_____].

Given under my hand and official seal on this ___ day of _____, 2025.

Notary Public

My commission expires: _____

[SEAL]

EXHIBIT A

OVERALL SURVEYED LANDS DESCRIPTION:

BEGIN AT A 1 INCH CRIMP TOP IRON FOUND ON THE SOUTHWEST CORNER OF PARCEL A, LITTLE BETHEL BAPTIST/OLDE TOWNE REPLAT, AS SHOWN IN MAP OR PLAT THEREOF RECORDED IN SLIDE 2705-E, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA; THENCE RUN S00°20'25"W, A DISTANCE OF 10.22 FEET TO A 5/8 INCH CAPPED REBAR FOUND (CA-1109-LS) ON THE NORTH RIGHT-OF-WAY OF BALDWIN COUNTY HIGHWAY NO. 64; THENCE RUN N89°39'42"W, ALONG SAID NORTH RIGHT-OF-WAY, A DISTANCE OF 75.00 FEET TO A 1 INCH OPEN END PIPE FOUND; THENCE RUN N00°18'18"E, DEPARTING SAID NORTH RIGHT-OF-WAY, A DISTANCE OF 157.00 FEET TO A 1/2 INCH REBAR FOUND; THENCE RUN S89°25'34"E, A DISTANCE OF 75.10 FEET TO A 1 INCH CRIMP TOP IRON FOUND; THENCE RUN N88°18'46"E, A DISTANCE OF 8.92 FEET TO A 1/2 INCH REBAR FOUND; THENCE RUN N05°30'51"E, A DISTANCE OF 77.64 FEET TO A 1/2 INCH CAPPED REBAR FOUND (FAIRHOPE); THENCE RUN N00°25'21"E, A DISTANCE OF 155.69 FEET TO A 5/8 INCH CAPPED REBAR FOUND (CA-1109-LS); THENCE RUN S89°44'56"E, A DISTANCE OF 59.25 FEET TO A 1 INCH CRIMP TOP IRON FOUND; THENCE RUN S89°37'07"E, A DISTANCE OF 131.79 FEET TO A 1 INCH CRIMP TOP IRON FOUND; THENCE RUN S00°20'05"W, A DISTANCE OF 379.47 FEET TO A 5/8 INCH CAPPED REBAR FOUND (CA-1109-LS) ON THE NORTH RIGHT-OF-WAY OF BALDWIN COUNTY HIGHWAY NO. 64; THENCE RUN N89°39'42"W, ALONG SAID NORTH RIGHT-OF-WAY, A DISTANCE OF 207.22 FEET TO THE POINT OF BEGINNING

LANDS CONTAINING 2.00 ACRES, MORE OR LESS, AND LYING IN SECTION 17, TOWNSHIP 5 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA.

(DESCRIPTION COMPOSED FROM PROBATE RECORDS AND FIELD SURVEY)