



**CITY OF DAPHNE  
1705 MAIN STREET, DAPHNE, AL  
CITY COUNCIL BUSINESS MEETING AGENDA  
MONDAY, DECEMBER 15, 2025 at 6:00 PM**

**1. CALL TO ORDER**

**A. ROLL CALL**

**B. INVOCATION** - Mykell Hudson, City Hope Church

**C. PLEDGE OF ALLEGIANCE**

**2. PROCLAMATIONS/RECOGNITIONS**

**A. RECOGNITION:** Daphne High School and Daphne Middle School Cheer

**3. APPROVE MINUTES**

**A.** December 1, 2025 regular meeting

**4. REPORTS OF STANDING COMMITTEES**

**A. FINANCE COMMITTEE** - Conaway

**B. BUILDINGS & PROPERTY COMMITTEE**- Messinger  
Review the November new Construction and Building Report.  
Certificates of Occupancy: 9  
Permits Issued: 216  
New Residential Home Permits: 10  
Total Fees: \$219,396.48

i. Review the minutes from the November 10th meeting.

**C. PUBLIC SAFETY COMMITTEE** - Green

i. Review the minutes from the November meeting.

**D. CODE ENFORCEMENT/ORDINANCE COMMITTEE** - Roberts

**E. PUBLIC WORKS COMMITTEE** - Coleman

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

**A. BOARD OF ZONING ADJUSTMENTS** - Adrienne Jones

**B. DAPHNE PUBLIC SCHOOL COMMISSION** - Hughes and Messinger

- C. **DOWNTOWN REDEVELOPMENT AUTHORITY** - Conaway
- D. **INDUSTRIAL DEVELOPMENT BOARD** - Coleman
- E. **LIBRARY BOARD** - Olen
- F. **PLANNING COMMISSION** - Olen
- G. **RECREATION BOARD** - Green
- H. **UTILITY BOARD** - Coleman

- i. Review the minutes from the October meeting.

**6. PUBLIC PARTICIPATION**

**7. MAYOR'S REPORT**

**8. CITY ATTORNEY REPORT**

**9. DEPARTMENT HEAD REPORTS**

**10. CITY CLERK'S REPORT**

**11. RESOLUTIONS**

- A. **2025 - 70** - Resolution Authorizing the Issuance of a Municipal Sales and Use Tax Exemption Certificate for the Mobile River Bridge and Bayway Project
- B. **2025 - 83** - Naming of Private Drives Off of U.S. Highway 98 - "Sea Cliff North and Sea Cliff South"
- C. **2025 - 84** - Retaining Officers and Employees - City Prosecutor

**12. 2nd 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

**13. 1st READ ORDINANCES**

- A. **2025 - 23** - Hotel Fortuna Project-TFH Daphne 2026-Limited Obligation Project Revenue Warrant-Not to exceed \$8 Million
- B. **2025 - 24** - Ordinance Authorizing the Mayor to Execute a Purchase and Development Agreement with Sisters (Baldwin), LLC for the Conveyance of Certain Real Property No Longer Needed for Public or Municipal Purposes.

**14. COUNCIL COMMENTS**

**15. EXECUTIVE SESSION**

**16. ADJOURN**

**December 1, 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:** Jay Ross, City Attorney; Mayor LeJeune; Chief Brian Gulsby, Police; Chief Tacon, Fire; Emmie Powell, Library; Troy Strunk, City Development; Andy Bobe, City Engineer; Charlie McDavid, Recreation; Adrienne Jones, Planning; Eric Butler, Building Department; Amber Lue, Junior City Councilmember; Isabella New, Junior City Councilmember; Emma Coleman, Junior City Councilmember; Dareon Maynard, Junior City Councilmember; Lakyn Coggin, Junior City Councilmember; Emery Capstraw, Junior City Councilmember; Schuyler Smith, Junior City Councilmember; Kara Wilbourn, Marketing; and Jessica Linne, Assistant City Clerk.

**INVOCATION/PLEDGE OF ALLEGIANCE:**

Invocation was given by Reverend Thack Dyson, St. Paul’s Episcopal Church.

**2. PROCLAMATIONS/RECOGNITIONS/PUBLIC HEARING:**

**PROCLAMATION:** Mayor LeJeune and Chief Tacon recognized Captain Eric Hayes’ on his recent retirement from the Fire Department.

**FIRE DEPARTMENT PROMOTIONS:** Mayor LeJeune and Chief Tacon recognized Chase Brewer (Captain), Jameson Kenny (Lieutenant) and Grant Everhart (Lieutenant) on their recent promotions in the Fire Department.

**PRESENTATION:** “I Got Your Six Gulf Coast” group presented a check to the Daphne Police Department’s Crisis Intervention Training.

**NUISANCE ABATEMENT HEARING:**

Eric Butler presented on the nuisance abatement hearing for 505 Van Avenue.

Public hearing opened at 6:14pm.

Gregg Stallings, owner of 505 Van Avenue, address the Council asking for an access road to be opened and to adopt option two of Resolution 2025-77.

Public hearing closed at 6:16pm.

<p><b>MOTION by Councilman Olen to adopt Resolution 2025-77 (Option 1). Seconded by Councilwoman Green. MOTION CARRIED UNANIMOUSLY.</b></p>
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**3. APPROVE THE MINUTES:**

The minutes from the November 17, 2025 Regular Meeting were approved.

**December 1, 2025  
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REGULAR BUSINESS MEETING  
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6:00 P.M.**

**4. REPORT OF STANDING COMMITTEES:**

**A. FINANCE COMMITTEE**

Councilwoman Conaway said the minutes from the November 17<sup>th</sup> meeting were in the packet. She gave the 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 for October 2025: warrants - \$28,151,132; capital leases: general fund - \$233,344; enterprise fund - \$807,456. She said the next meeting is December 15<sup>th</sup> at 4:30pm.

**B. BUILDINGS & PROPERTY COMMITTEE**

Councilwoman Messinger said next meeting is December 8<sup>th</sup> at 5:15pm.

**C. PUBLIC SAFETY COMMITTEE**

Councilwoman Green said the next meeting is December 8<sup>th</sup> at 4:30pm.

**D. CODE ENFORCEMENT/ORDINANCE COMMITTEE**

Councilman Roberts said the next meeting is January 5<sup>th</sup> at 4:30pm.

**E. PUBLIC WORKS COMMITTEE**

Councilman Coleman said the next meeting is January 5<sup>th</sup> at 5:15pm.

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

**A. Board of Zoning Adjustments**

Mrs. Jones said there was not December meeting.

**B. Daphne Public School Commission**

Council President Hughes said there will be no December meeting.

**C. Downtown Redevelopment Authority**

Councilwoman Conaway said the next meeting is December 18<sup>th</sup> at 5:30pm and the minutes from the October meeting are in the packet.

**D. Industrial Development Board**

Councilman Coleman said the next meeting is December 16<sup>th</sup> at 4:30pm.

**E. Library Board**

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

**F. Planning Commission**

Councilman Olen said the next meeting is December 18<sup>th</sup> at 5:00pm.

**G. Recreation Board**

Councilwoman Green said the next meeting is January 14<sup>th</sup> at 6pm.

**H. Utility Board**

Councilman Coleman said the next meeting is December 3<sup>rd</sup> at 5pm.

**6. PUBLIC PARTICIPATION:**

Public participation opened at 6:21pm.

**December 1, 2025  
CITY COUNCIL MEETING  
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6:00 P.M.**

Victoria Phelps, Lake Forest, commended the work of the Public Works’ Staff.

Curt Fonger, 1443 Randall Avenue, said the Environmental Advisory Committee recently opened the Native Plant Trail in Central Park and thanked the Boy Scout and Public Works’ employees for their help with it.

Public participation closed at 6:24pm.

**7. MAYOR’S REPORT:**

Mayor LeJeune commended Randy Jones in the Solid Waste Department for his work. He shared the City’s Tree Lighting might be rescheduled for Tuesday, December 9<sup>th</sup> and the Christmas Parade is set for December 6<sup>th</sup>.

**8. CITY ATTORNEY REPORT:**

City Attorney said there was a matter for Executive Session potentially for the December 15<sup>th</sup> Council Meeting.

**9. DEPARTMENT HEAD COMMENTS:**

Chief Tacon, Fire, gave an update on the baby box.

Kara Wilbourn, Marketing/Tourism, shared about the Museum starting construction and the upcoming City Christmas events.

Bobby Purvis, Public Works, gave kudos to many in his department and said the Deer Avenue work is starting soon.

Charlie McDavid, Recreation, said youth basketball has started and gave an update on the Senior Center and Animal Shelter.

Andy Bobe, City Engineer, commended Public Works for their work recently on a project.

Junior City Council President Emma Coleman said they met recently and discussed the “Santa Paws” boxes and their upcoming volunteer opportunities.

**10. CITY CLERK’S REPORT:**

**MOTION by Councilwoman Conaway to approve the Daphmont Community Mardi Gras Parade on February 14, 2026 from 2:00 – 4:00pm. Seconded by Councilman Olen.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilwoman Green 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. Seconded by Councilman Coleman.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilwoman Messinger to approve the Shadow Barons Parade on February 14, 2026 from 6:45 – 9:30pm with a rain makeup day of February 15, 2026. Seconded by Councilman Coleman.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to appoint an interim City Clerk and authorize staff to advertise the City Clerk open position. Seconded by Councilman Olen.**

**MOTION to amend the original motion and appoint Jessica Linne as the interim City Clerk. Seconded by Councilwoman Conaway.  
MOTION CARRIED UNANIMOUSLY.  
ORIGINAL MOTION CARRIED UNANIMOUSLY.**

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**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**

**MOTION by Councilman Coleman to waive the reading of Resolutions 2025-78, 2025-79, 2025-80 and 2025-81. Seconded by Councilwoman Conaway.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-78. Seconded by Councilman Olen.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-79. Seconded by Councilwoman Conaway.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-80. Seconded by Councilman Roberts.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-81. Seconded by Councilman Roberts.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to waive the reading of Resolution 2025-82. Seconded by Councilwoman Green.  
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-82. Seconded by Councilwoman Green.  
MOTION CARRIED UNANIMOUSLY.**

Council President Hughes said Resolution 2025-83 is being tabled and will be presented at the next Council meeting as a First Read Ordinance.

**12. 2<sup>ND</sup> READ ORDINANCES:**

**13. 1<sup>ST</sup> 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**

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- B. 2025 - 23 - Hotel Fortuna Project-TFH Daphne 2026-Limited Obligation Project Revenue Warrant-Not to exceed \$8 Million**

City Attorney gave information regarding Ordinance 2025-23 and said it will likely be back as a first read in two weeks.

**14. COUNCIL COMMENTS**

Councilwoman Conaway thanked Captain Hayes for his time with the City and congratulated those recognized with their promotions.

Councilman Olen echoed Councilwoman Conaway’s words and said he’s looking forward to the Christmas events.

Councilman Coleman echoed previous comments and thanked the Mayor and Public Works’ staff for their hard work.

Councilman Roberts thanked Captain Hayes and congratulated those who received promotions.

Councilwoman Messinger thanked Reverend Dyson for his encouragement through his prayer and said she’s glad to be able to serve in the City.

Councilwoman Green congratulated Captain Hayes and those recently promoted. She said she’s looking forward to the Christmas event and commended the Environmental Advisory Committee on their work.

Council President Hughes thanked the “I Got Your Six Gulf Coast” group for their donation to the Police Department.

**15. ADJOURN:**

THERE BEING NO FURTHER BUSINESS TO DISCUSS, COUNCIL ADJOURNED INTO EXECUTIVE SESSION AT 6:42PM.

Respectfully submitted by,

Certification of Presiding Officer,

\_\_\_\_\_  
Jessica Linne, Interim City Clerk

\_\_\_\_\_  
Ben Hughes, Council President

# City of Daphne Building Department

## 2022 / 2023 / 2024 / 2025 / 2026 Comparison Report

	Fee's Collected					Permit's Issued					CO's Issued				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Oct	\$84,303.63	\$47,086.96	\$83,607.35	\$143,569.06	\$77,524.20	308	192	223	213	189	40	28	32	17	25
Nov	\$91,672.49	\$50,279.03	\$27,758.62	\$58,210.00	<b>\$219,396.48</b>	351	286	166	142	<b>216</b>	30	36	23	12	<b>9</b>
Dec	\$128,605.99	\$57,070.59	\$40,344.17	\$50,271.68		296	216	181	150		53	36	33	25	
Jan	\$259,810.62	\$33,804.54	\$163,953.56	\$80,404.50		350	152	295	173		36	33	25	20	
Feb	\$129,315.56	\$44,081.76	\$84,412.27	\$37,199.09		292	169	229	163		32	31	23	20	
Mar	\$116,358.20	\$30,603.28	\$57,825.99	\$320,154.95		431	181	240	165		84	44	24	16	
Apr	\$60,816.35	\$76,873.19	\$171,191.80	\$89,713.72		324	212	348	202		42	27	15	19	
May	\$65,454.25	\$147,875.62	\$207,947.06	\$155,349.01		306	288	368	211		48	20	30	17	
June	\$147,395.66	\$234,524.02	\$58,420.91	\$143,387.48		355	308	232	230		34	25	43	21	
July	\$87,733.72	\$100,809.42	\$69,318.38	\$78,117.48		305	267	273	185		23	13	33	15	
Aug	\$61,504.63	\$60,342.37	\$181,357.78	\$65,814.58		299	192	239	182		19	4	29	11	
Sept	\$140,065.18	\$108,322.22	\$189,261.78	\$106,073.70		328	<b>277</b>	344	147		40	34	20	15	
<b>Total</b>	<b>\$1,373,036.28</b>	<b>\$991,673.00</b>	<b>\$1,335,399.67</b>	<b>\$1,328,265.25</b>	<b>\$296,920.68</b>	<b>3945</b>	<b>2740</b>	<b>3138</b>	<b>2,163</b>	<b>405</b>	<b>481</b>	<b>331</b>	<b>330</b>	<b>208</b>	<b>34</b>
Percent +/-	<b>N/A</b>	<b>-27.78%</b>	<b>34.66%</b>	<b>-0.53%</b>		<b>N/A</b>	<b>-30.54%</b>	<b>14.53%</b>	<b>-31.07%</b>		<b>N/A</b>	<b>-31.19%</b>	<b>-0.30%</b>	<b>-93.64%</b>	

**November FY2026 Building Inspections-**

216 Permits issued, 10 New Residential Homes permitted and 9 Certificate Of Occupancies issued

Infirmary Health is in progress. The Croft at Daphne pulled the permit and are getting started.

**BUILDINGS & PROPERTY COMMITTEE MEETING**

**November 10, 2025 5:15 p.m.**

**City Hall, Jubilee Conference Room  
1705 Main Street, Daphne, AL 36526**

**MEETING MINUTES**

**MEMBERS PRESENT:** Councilman Olen, Councilwoman Conaway, Councilman Hughes, Councilwoman Messinger, Councilwoman Green, Councilman Roberts and Councilman Coleman

**ALSO PRESENT:** Jay Ross, City Attorney; Troy Strunk, City Development; Mayor LeJeune; Kelli Reid, Finance; Eric Butler, Building Inspection; Candace Antinarella, City Clerk; Troy Strunk, City Development; Andy Bobe, City Engineer; Charlie McDavid, Recreation; Bobby Purvis, Public Works; Randy Jones, Solid Waste; Emmie Powell, Library; Ange Baggett, Marketing; and Jennifer Rulon, Senior Center.

**1) CALL MEETING TO ORDER / ROLL CALL**

There being a quorum present Councilman Hughes called the meeting to order at 5:15p.m.

**2) MINUTES**

Councilman Hughes reviewed the minutes from the October 13, 2025 meeting.

**3) PUBLIC PARTICIPATION**

**4) BUILDING INSPECTION REPORT**

Eric Butler reviewed the Building Inspection report.

**5) CIVIC CENTER & BAYFRONT PAVILION REPORT**

Ange Baggett gave the Civic Center report.

**6) RECREATION REPORT**

Charlie McDavid gave the Recreation and Animal Shelter report. Jennifer Rulon gave the Senior Center report.

**7) LIBRARY REPORT**

Emmie Powell gave the Library report.

**8) FACILITIES REPORT**

Bobby Purvis gave the Facilities Report.

**9) OLD BUSINESS**

**10) NEW BUSINESS**

Andy Bobe presented on the Water Line Relocation on Highway 90 Widening Project.

**MOTION by Councilman Coleman to place the appropriation for the water line relocation on the November 17, 2025 Finance Agenda, then on the November 17, 2025 Council Agenda.  
Seconded by Councilwoman Conaway.  
MOTION CARRIED UNANIMOUSLY.**

Andy Bobe presented on the City Hall Roof Change Orders.

**MOTION by Councilman Coleman to place the appropriation for the City Hall roof change orders on the November 17, 2025 Finance Agenda, then on the November 17, 2025 Council Agenda. Seconded by Councilwoman Conaway.  
MOTION CARRIED UNANIMOUSLY.**

**11) ANY OTHER BUILDINGS AND PROPERTY BUSINESS**

**12) NEXT MEETING**

The next meeting is scheduled for Monday, December 8, 2025 at 5:15 p.m.

**13) ADJOURN**

There being no further business to discuss, the Committee adjourned at 5:36pm.

**October November 10 2025**  
**PUBLIC SAFETY MEETING MINUTES**  
**1705 MAIN STREET**  
**DAPHNE, AL**  
**4:30 P.M.**

**1. CALL TO ORDER:**

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

**2. ROLL CALL:**

**COUNCIL MEMBERS PRESENT:** Councilmen Ben Hughes, Joel Coleman, Steve Olen, and Oliver Roberts, Councilwomen Tommie Conaway, Stephanie Ganey-Messenger and Jennifer Green.

**ABSENT:** Mayor LeJeune

**Also Present:** City Attorney; Jay Ross, Fire Department; Chief Tacon, Police Department; Captain Reginald Ardis, City Clerk; Candace Antinarella, Recording Secretary; Christina Brazell

**Junior City Council present:** Emma Coleman and Isabella New

**3. PUBLIC PARTICIPATION:**

Sandy Robinson, 1500 Main St. Thanked everyone for their support and participation in the Community Spirit Day. Also wanted to express her concern about Ebikes being seen on the boardwalks and piers. Troy Strunk to look into making sure that the park signs are updated regarding the ordinances.

Tom Walker, 707 McAdams Ave. Welcomed the new Council members.

**4. APPROVAL OF MINUTES FROM PREVIOUS MEETING**

Minutes from October Public Safety meeting approved as presented.

**5. POLICE DEPARTMENT – Captain Reginald Ardis**

**Old Business:** None

**New Business: (Stats provided) (Organizational Chart provided)**

Captain Ardis addressed staffing and dates for new Officers hired on. Also, Council was provided on dates for the new Parks Division to start. (Assigned to work parks, games and enforcing the City Ordinances)

Councilman Olen wanted to thank the Police Department for their response to an issue that arose during a Daphne High School Volleyball Game versus Bayside High School, on an earlier date. He advised that the two Officers working the event did a great job being on top of what could have been really bad situation.

Captain Ardis mentioned the Doug Lewis conviction, regarding a Daphne Police Department arrest of a subject for child abuse.

2024 Annual Report is available online.

ADECCA Grant being worked on. Hoping to be used towards new Swat Armor.

Police Department sent two employees to Crisis Intervention Training last week. (40-hour Course)

**October November 10 2025**  
**PUBLIC SAFETY MEETING MINUTES**  
**1705 MAIN STREET**  
**DAPHNE, AL**  
**4:30 P.M.**

In the case with our individual who has been trespassed from several, if not most locations in the City, he has been seen by Alta Pointe. The hope is that we can assist Alta Pointe in moving towards getting this individual into a group home. This is a well-known male that walks the street and gets a lot of attention on Facebook. Calls are constantly coming into dispatch regarding his presence. He has an injury that in turn caused his mental issues.

**6. FIRE DEPARTMENT: - Chief Tacon**

**Old Business:** Baby box non-operational. Waiting on construction company to determine where water is coming from inside the box.

**New Business: (Stats provided) (Red folder provided to include information about the Fire Department)**  
Spoke on current openings and new hires.

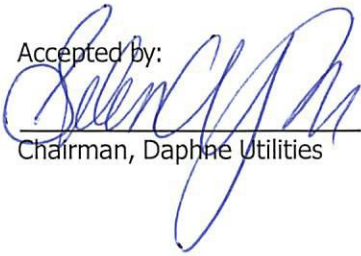
Fire Marshall Camilleri spoke on Fire Safety Month and how many individuals were reached at the schools. Fire Marshall Camilleri also spoke about the current Burn Ban which should be lifted today's date.

**Medstar Update** – No new update. There were 7 times where DFD rode along on calls. 5 of these calls were justified, 2 were new Officers that chose to ride along.

**7. OTHER BUSINESS:**

None

**Adjournment 5 p.m.**

Accepted by:  
  
Chairman, Daphne Utilities



# APPROVED MINUTES

## Utilities Board Meeting

Council Chambers, Daphne City Hall ♦ October 29, 2025 ♦ 5:00 p.m.

### I. Call to Order

The regular October 2025 Board meeting for the Utilities Board of the City of Daphne was held on October 29, 2025, in the Council Chambers at Daphne City Hall and called to order at 5:00 pm by Chairwoman Selena Vaughn, followed by the Roll Call:

### II. Roll Call

**Members Present:** Selena Vaughn, Chairwoman  
Tim Patton, Vice Chairman  
Billy Mayhand, Secretary/Treasurer  
Councilman Joel Coleman, Board Member

**Members Absent:** Mayor Robin LeJeune, Board Member

**Others Present:** Tony Hoffman – Board Attorney  
Scott Polk – CEO/General Manager  
Alex Godfrey – Chief Operations Officer  
Lexus Carlee – Chief Finance Officer  
Samantha Coppels – Chief Communications Officer  
Kelly DeLaney – Customer Service Manager  
Lori Wilson – Executive Assistant

**Others Absent:** Jerry Speegle – Board Attorney

### III. Pledge of Allegiance

The Chairwoman led the Board and meeting attendees in the Pledge of Allegiance.

### IV. Approval of Minutes

#### Utilities Board Meeting Minutes September 24, 2025

The Chairwoman requested any additions, corrections, or deletions for the submitted minutes of the regular Daphne Utilities Board meeting of September 24, 2025.

With no additions, deletions or corrections, the Chairwoman declared that the submitted minutes of the regular Daphne Utilities Board meeting of September 24, 2025, would stand approved.

**V. OLD BUSINESS –**

A. None

**VI. NEW BUSINESS –**

**A. Presentation of 2023/2024 Audit from Robertson, Andreoli & Covington, PC**

Mr. Mike Andreoli addressed the Board and reported on the audit beginning with the Independent Auditor's Report and reviewing several high points throughout the report. He advised that the Utilities is performing an excellent job and adhering to all the applicable laws.

**VII. BOARD ATTORNEY'S REPORT**

Mr. Tony Hoffman reported he had nothing further to add to the submitted report.

**VIII. FINANCIAL REPORT**

Finance Manager Lexus Carlee reviewed for the Board: the increase in total assets, cash, CIP, and inventory; the performance of the money market account, revenue, expenses and other income expenses, and total net income; concluding with a review of distributed payments for the month for various trucks.

**IX. GENERAL MANAGER'S REPORT**

**A. GM Report**

CEO/GM Scott Polk gave updates for: moving forward on the two GOMESA grants received for last year for the six permanent natural gas by-pass pumps; the kick-off meeting after updating the Task Order from Krebs with the board comments that were submitted; the completion of the Maxwell Avenue line replacement; the test well that was drilled behind the Trojan plant and the good news regarding SRF funds availability for drinking water; an easement that Spanish Fort obtained for the interconnect; and notification from AEMA regarding grants that are still active, one of which has been approved at the federal level. He informed the Board about a water quality issue brought to his attention by an email and explained the process to address the problem.

Samantha Coppels, Chief Communications Officer, had nothing to add to her report but reminded the board members participating in the grant give-aways at the area schools and gave an update on the new upcoming cooking trailer.

**B. Operations Report**

Chief Operations Officer Alex Godfrey informed the Board that: the new screen had been installed at the WRF; the installation of the altitude valve at Eastern Shore tank had been complete; notification to lower a water line on US90 for the widening project working in conjunction with the City of Daphne. Vice Chairman Tim Patton suggested keeping in constant contact with ALDOT and Daphne of current and upcoming projects.

**C. Engineering & Consulting Reports**

**X. BOARD ACTION –** previously addressed.

**XI. PUBLIC PARTICIPATION –** At 5:25 pm, Chairwoman Vaughn opened Public Participation.

CSM Gilberto Colón introduced himself to the Board, stating that he lives in the Lake Forest community and wanted to give back and volunteered to be the liaison for the City of Daphne and

the Lake Forest community. Councilman Joel Coleman introduced himself, welcomed CSM Colón and thanked him for stepping up to share information.

Ms. Emery Capstraw introduced herself as the liaison for the Junior City Council and expressed her enthusiasm as part of the Junior City Council and participation in upcoming meetings and events.

Chairwoman Vaughn closed Public Participation at 5:28pm.

## **XII. BOARD COMMENTS –**

Councilman Joel Coleman noted this as an exciting meeting with the positive audit results.

Mr. Billy Mayhand asked about the Attorney's Report and the correct year for the Order that the Court ordered. Mr. Scott Polk clarified the correct date as well as agreeing to forward the information from the deposition to Mr. Mayhand.

Mr. Tim Patton conveyed his appreciation for the varied projects featured in the board book.

## **XII. ADJOURNMENT**

With no additional comments, the Chairwoman Vaughn called for a motion to adjourn the meeting. Mr. Billy Mayhand made the Motion to Adjourn. The meeting adjourned at 5:31pm.

**Preceding minutes submitted to the Daphne Utilities Board by:**

  
\_\_\_\_\_  
Lori Wilson, Executive Assistant, Daphne Utilities

**CITY OF DAPHNE, ALABAMA  
RESOLUTION 2025-70**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A MUNICIPAL SALES AND  
USE TAX EXEMPTION CERTIFICATE FOR THE MOBILE RIVER BRIDGE &  
BAYWAY PROJECT**

**WHEREAS**, the Alabama Department of Transportation (ALDOT) intends to design, construct, and maintain a new I-10 Mobile River Bridge and replacement Bayway, together with related interchange improvements (the “Project”);

**WHEREAS**, the Project has been designated by ALDOT as a qualified toll project under Alabama law, thereby making it eligible for local sales and use tax exemptions provided in Alabama Code § 23-2-153(e);

**WHEREAS**, § 23-2-153(e) authorizes exemption from local sales and use taxes on incorporated materials for qualified toll projects when approved by resolution, and § 23-2-153(h)(1) makes such use subject to the reporting and penalty provisions of § 40-9-14.1;

**WHEREAS**, the City Council recognizes that advance authorization of a municipal exemption certificate will facilitate timely mobilization of contractors and suppliers once a design-build contract is awarded; and

**WHEREAS**, it is the intent of the City to limit such exemption strictly to tangible personal property that becomes a permanent part of the Project, while ensuring full compliance with all applicable reporting, record-keeping, and audit requirements.

**NOW, THEREFORE, BE IT RESOLVED by the CITY COUNCIL of the CITY OF DAPHNE as follows:**

1. Approval. The Alabama Department of Revenue (ALDOR) is authorized to issue a municipal sales and use tax exemption certificate for the Project pursuant to § 23-2-153(e).

2. Use & Conditions. The certificate may be used only for the purchase of tangible personal property that becomes a permanent part of the Project, by the design-builder/concessionaire and contractors or subcontractors designated by the Revenue Director. Issuance and use are conditioned upon:

- a. an ALDOR project exemption certificate being on file;
- b. full compliance with § 40-9-14.1 reporting and record-keeping requirements; and
- c. vendor invoices referencing both the municipal certificate number and jobsite.

The Revenue Director may update the authorized users and may suspend or revoke the certificate for misuse or noncompliance.

3. Limits & Term. Such certificate shall not exempt any taxes or fees excluded by law, including those listed in § 23-2-153(b), nor shall it exempt business license, permit, or inspection

fees, or state income taxes. The exemption applies only to City of Daphne sales and use taxes within the City's taxing jurisdiction.

4. Compliance with § 40-23-4.01(a)(2). In accordance with § 40-23-4.01(a)(2):
  - a. The effective date of the exemption contemplated in this Resolution shall be September 1, 2026.
  - b. The duration of the exemption will be ten (10) fiscal years.

5. Notice to Alabama Department of Revenue. The City Council shall provide notice of this Resolution to the Alabama Department of Revenue no later than July 1, 2026, as required by § 40-23-4.01(a)(3).

**ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA ON THIS THE \_\_\_\_ DAY OF NOVEMBER, 2025.**

\_\_\_\_\_  
**Robin LeJeune, Mayor**

ATTEST:

\_\_\_\_\_  
**Jessica Linne, Interim City Clerk**

**CITY OF DAPHNE, ALABAMA  
RESOLUTION 2025 – 83**

**NAMING OF PRIVATE DRIVES OFF OF U.S. Highway 98  
“SEA CLIFF NORTH AND SEA CLIFF SOUTH”**

**WHEREAS**, the Property Owners Associations of Sea Cliff North and Sea Cliff South have proposed to rename private drives off of U.S. Highway 98; and,

**WHEREAS**, the owners of Sea Cliff North desire that the name of the private drives be “Marina Bay Drive; Carapace Lane; Bay Breeze Drive; Sea Cliff Drive and, Castnet Court; and,

**WHEREAS**, the owners of Sea Cliff South desire that the name of the private drives be “Seacrest Way; Sea Cliff Drive South, and, Cliffside Court; and,

**WHEREAS**, the Mayor and the City Council of the City of Daphne, in the interest of public safety, wish to consent to the property owners’ naming of the private drive in accordance with E-911 guidelines.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE**, that the private drives depicted on Exhibit A hereto be named “Marina Bay Drive, Carapace Lane, Bay Breeze Drive, Sea Cliff Drive, Castnet Court, Seacrest Way, Sea Cliff Drive South, and Cliffside Court” that nothing in this Resolution shall be deemed to be an acceptance of said private drive by the City as public rights-of way; and that the City of Daphne expressly disclaims any responsibility for maintaining said private drives and any private drainage facilities related thereto.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS \_\_\_\_ DAY OF JANUARY, 2026.**

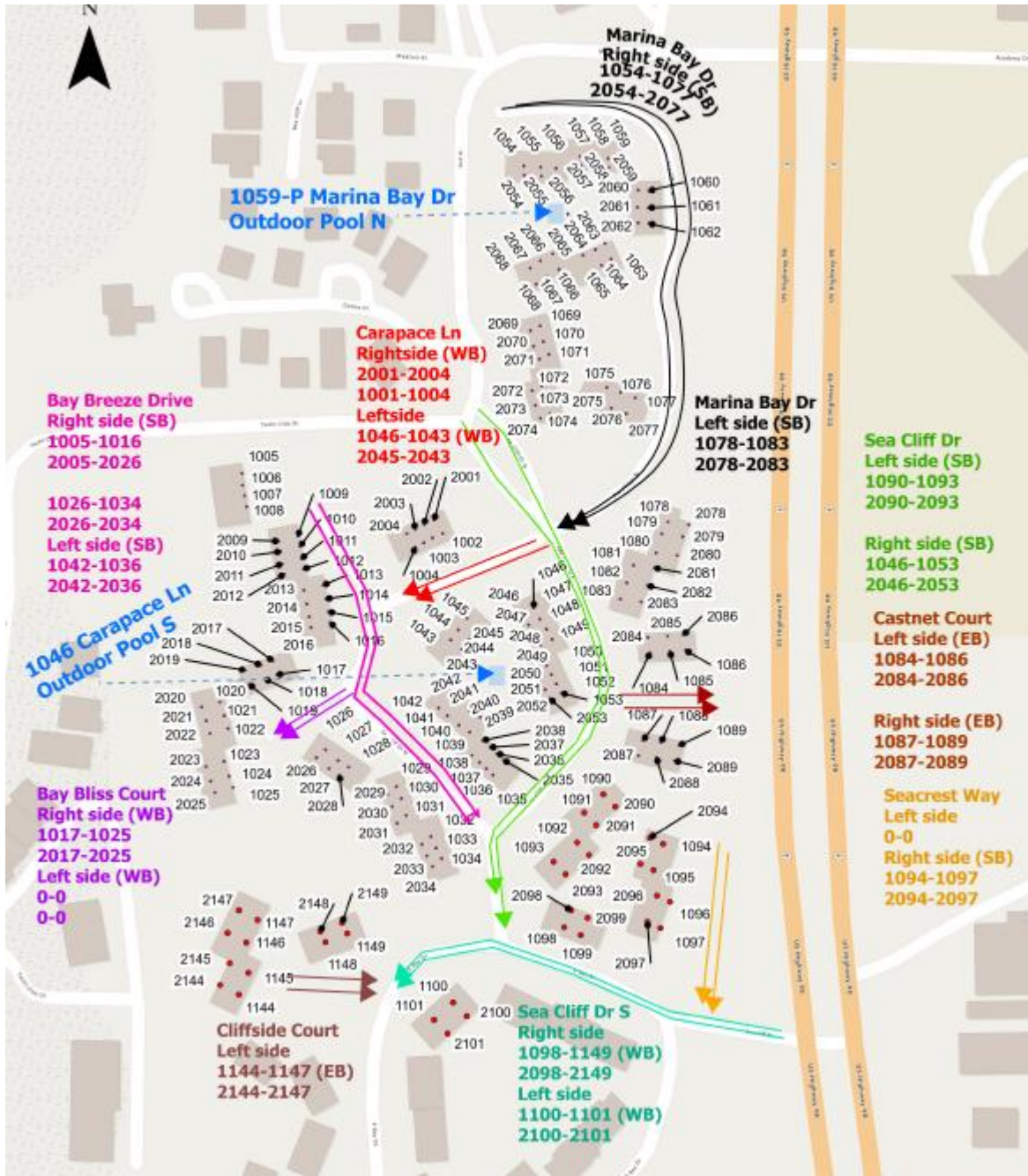
\_\_\_\_\_  
**Robin LeJeune, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Jessica Linne, Interim City Clerk**

**EXHIBIT A**

Depiction of Private Drives in Sea Cliff North and Sea Cliff South



**CITY OF DAPHNE, ALABAMA  
RESOLUTION 2025-84**

**Retaining Officers and Employees**

**City Prosecutor**

**WHEREAS**, the City is desirous of retaining the services of a Prosecutor for the purpose of representing the City in its Municipal Court and in the Baldwin County Circuit and District Courts on appeal.

**WHEREAS**, the Prosecutor, by these presents, hereby agrees to use his experience and expertise in representing the City.

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

**SECTION 1:** That Brant Richerson is appointed to continue as City Prosecutor for the City of Daphne upon the basis of compensation heretofore existing.

**SECTION 2:** The City Council authorizes the Mayor to enter in a contract with the Prosecutor.

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

\_\_\_\_\_  
**Robin LeJeune, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Jessica Linne, Interim City Clerk**

**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:

\_\_\_\_\_  
Jessica Linne, Interim City Clerk

I, Jessica Linne, Interim 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 \_\_\_\_\_, 2026.

[SEAL]

\_\_\_\_\_  
Jessica Linne  
Interim 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 2026

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relating to  
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Limited Obligation Project Revenue Warrant (The Fortuna Hotel Project)  
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**CITY OF DAPHNE, ALABAMA  
ORDINANCE 2026-23**

**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 seventy-five percent (75%) 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 2026, 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 December 26, 2025 in *The Baldwin Times* 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.

(g) 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.

(h) 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 2026, 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 twenty-fifth (25th) 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 five (25) 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 January 1, 2061, 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 DAPHNE, ALABAMA  
LIMITED OBLIGATION PROJECT REVENUE WARRANT  
(THE FORTUNA HOTEL PROJECT)  
SERIES 2026 (TAXABLE)**

**DATE OF WARRANT**

**MATURITY DATE**

[ \_\_\_\_\_ ], 2026

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 2026 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 Project Revenue Warrant (The Fortuna Hotel Project), Series 2026, 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 [January 5], 2026, (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 [January 5], 2026 (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 five (25) 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 January 1, 2061, 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 five (25) 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 2026 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 (45<sup>th</sup>) 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 (45<sup>th</sup>) 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.** 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 \_\_\_\_\_, 2026.

[S E A L]

\_\_\_\_\_  
Robin LeJeune, Mayor

ATTEST:

\_\_\_\_\_  
Jessica Linne, Interim City Clerk

**EXHIBIT A**  
**Legal Notice**  
**(See Attached)**

## EXHIBIT B

### Form of Investment Letter

\_\_\_\_\_, 2026

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 2026

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 [January 5, 2026] (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 [January 5], 2026 (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)**

**CITY OF DAPHNE, ALABAMA  
ORDINANCE 2025-24**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE AND  
DEVELOPMENT AGREEMENT WITH SISTERS (BALDWIN), LLC FOR THE  
CONVEYANCE OF CERTAIN REAL PROPERTY NO LONGER NEEDED FOR  
PUBLIC OR MUNICIPAL PURPOSES**

**WHEREAS**, the City of Daphne (the “City”) is the owner of certain real property located along Belrose Avenue in the City of Daphne, Baldwin County, Alabama, currently improved with a structure used by the Daphne Search and Rescue Unit located at 616 Belrose Avenue and identified by the Baldwin County Revenue Commissioner as PPIN 53786 (the “Property”); and

**WHEREAS**, the City Council of the City of Daphne has determined that the Property is no longer needed for public or municipal purposes and should be conveyed in accordance with applicable law and upon terms beneficial to the public; and

**WHEREAS**, according to records of the Baldwin County Revenue Commissioner, the appraised value of the Property is approximately \$175,700.00; and

**WHEREAS**, Sisters (Baldwin), LLC (the “Purchaser”), an Alabama limited liability company affiliated with 68 Ventures, has offered to purchase the Property from the City for the amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00) and to undertake certain park improvement obligations in conjunction with the adjacent City-owned property identified as PPIN 63733 and PPIN 9740 (the “Park Lot”); and

**WHEREAS**, under the terms of the negotiated Purchase and Development Agreement (the “Agreement”), a copy of which is attached hereto as **Appendix 1**, the Purchaser will (i) permit the City to continue using the existing structure on the Property for a limited transitional period following closing, (ii) fund and construct significant park improvements on the Park Lot at no cost to the City, and (iii) assume secondary maintenance responsibilities for the Park Lot, all of which serve a public purpose and benefit the residents and visitors of the City; and

**WHEREAS**, the City Council finds that the Purchase and Development Agreement is in the best interest of the City and its residents and wishes to authorize the Mayor to execute all documents necessary to effectuate the transaction.

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

1. **Declaration of Surplus Property.** The City Council hereby declares that the real property identified as Baldwin County PPIN 53786 (the “Property”) is no longer needed for public or municipal purposes.

2. **Authorization to Execute Agreement.** The Mayor and the City Clerk are hereby authorized and directed to execute and attest, respectively, on behalf of the City, the Purchase and Development Agreement with Sisters (Baldwin), LLC in substantially the form attached hereto as

Appendix 1, subject to final approval by the City Attorney. A fully executed copy of the Agreement shall be maintained in the Office of the City Clerk.

3. **Conveyance of Property.** The Mayor and City Clerk are further authorized and directed to execute and attest, respectively, a statutory warranty deed conveying title to the Property to Sisters (Baldwin), LLC, and to execute and deliver such other closing documents as may be necessary or appropriate to complete the conveyance, all in accordance with the terms of the Agreement.

4. **Implementation.** The Mayor is further authorized to execute any and all other documents and instruments reasonably necessary to complete the conveyance of the Property contemplated in the Agreement as requested by the Purchaser and approved by the City Attorney.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

\_\_\_\_\_  
Robin LeJeune, Mayor

ATTEST:

\_\_\_\_\_  
Jessica Linne, Interim City Clerk

**APPENDIX 1**  
**Purchase And Development Agreement**

(attached)

**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](mailto: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](mailto: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](mailto: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]