



CITY OF DAPHNE
1705 MAIN STREET, DAPHNE, AL
CITY COUNCIL BUSINESS MEETING AGENDA
MONDAY, JANUARY 5, 2026 at 6:00 PM

1. CALL TO ORDER

A. ROLL CALL

B. INVOCATION - Battalion Chief Lamar Green - Daphne Fire Department

C. PLEDGE OF ALLEGIANCE

2. PRESENTATIONS AND PUBLIC HEARINGS

A. POLICE DEPARTMENT PROMOTIONS: Lieutenant Caleb Reeves
Sergeant Shawn Barnette
Corporal Todd Gresham

B. RECOGNITION: Karen Kyzar - Daphne Public Library

C. PUBLIC HEARING: Official Zoning Map Update

D. PUBLIC HEARING: Amendment to the Rowan Oak PUD Narrative

3. APPROVE MINUTES

A. December 15, 2025 regular meeting

4. REPORTS OF STANDING COMMITTEES

A. FINANCE COMMITTEE - Conaway

Review the minutes from the December 15, 2025 meeting

Treasurer's Report for November 2025: Unrestricted Fund Balance - \$26,037,593

Total Cash Balance - \$47,579,980

Sales Tax for October 2025: \$2,324,667.52; Lodging tax for October 2025:
\$157,492.89

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

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

B. BUILDINGS & PROPERTY COMMITTEE- Messinger

C. PUBLIC SAFETY COMMITTEE - Green

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE - Roberts

i. Review the minutes from the December meeting.

E. PUBLIC WORKS COMMITTEE - Coleman

5. REPORTS OF SPECIAL BOARDS & COMMISSIONS

A. BOARD OF ZONING ADJUSTMENTS - Adrienne Jones

B. DAPHNE PUBLIC SCHOOL COMMISSION - Hughes

C. DOWNTOWN REDEVELOPMENT AUTHORITY - Conaway

D. INDUSTRIAL DEVELOPMENT BOARD - Coleman

E. LIBRARY BOARD - Olen

F. PLANNING COMMISSION - Olen

G. RECREATION BOARD - Green

H. UTILITY BOARD - Coleman

6. PUBLIC PARTICIPATION

7. MAYOR'S REPORT

8. CITY ATTORNEY REPORT

9. DEPARTMENT HEAD REPORTS

10. CITY CLERK'S REPORT

A. MOTION to approve the additional intersection at Highway 90 and Bay View Drive for Daphne High School JROTC donut sales on January 17, 2026, February 28, 2026, March 21, 2026 and April 25, 2026.

11. RESOLUTIONS

A. 2026 - 01 - Appropriation: Demolition of Structures at 505 Van Avenue - \$10,000

B. 2026 - 02 - Resolution Declaring Certain Personal Property Surplus and Authorizing the Mayor to Dispose of Such Property - 2000 Ford F-450

12. 2nd 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.

13. 1st READ ORDINANCES

- A. 2026 - 01 -** Revisions to the City of Daphne Zoning District Map
- B. 2026 - 02 -** Ordinance to Amend the Text of the Rowan Oak PUD Narrative for Property Located Southwest of County Road 13 and Milton Jones Road
- C. 2026 - 03 -** Ordinance Amending the City of Daphne's Gasoline Excise Tax Ordinance No. 1990-20
- D. 2026 - 04 -** Amendment to Ordinance 2004-11 (Business License Ordinance) to Enable Licensure of Mobile/Itinerant Businesses

14. COUNCIL COMMENTS

15. ADJOURN

CITY OF
DAPHNE, ALABAMA

Appreciation

Be it here known that the City of Daphne recognizes

KAREN KYZAR

for her nearly

TWENTY-ONE YEARS OF
VOLUNTEER SERVICE & VALUED LEADERSHIP

with the

DAPHNE PUBLIC LIBRARY &
THE FRIENDS OF THE LIBRARY BOOK SHOP.

I, Robin LeJeune, as the Mayor of the City of Daphne, Alabama,
along with the Daphne City Council,
do hereby deem it an honor and pleasure to extend
this Certificate of Appreciation on this 5th day of January 2026.



Robin LeJeune, Mayor

**COMMUNITY DEVELOPMENT
INTERNAL MEMORANDUM**



DATE: October 24, 2025
TO: Office of the City Clerk
FROM: Adrienne Jones, AICP, Director of Community Development
SUBJECT: Official City of Daphne Zoning Map Update

A handwritten signature in black ink, appearing to be "AJ", located to the right of the "FROM:" line.

At the October 23, 2025 regular meeting of the City of Daphne Planning Commission, seven members were present. The motion carried unanimously to set forth a favorable recommendation to approve the Official City of Daphne Zoning Map.

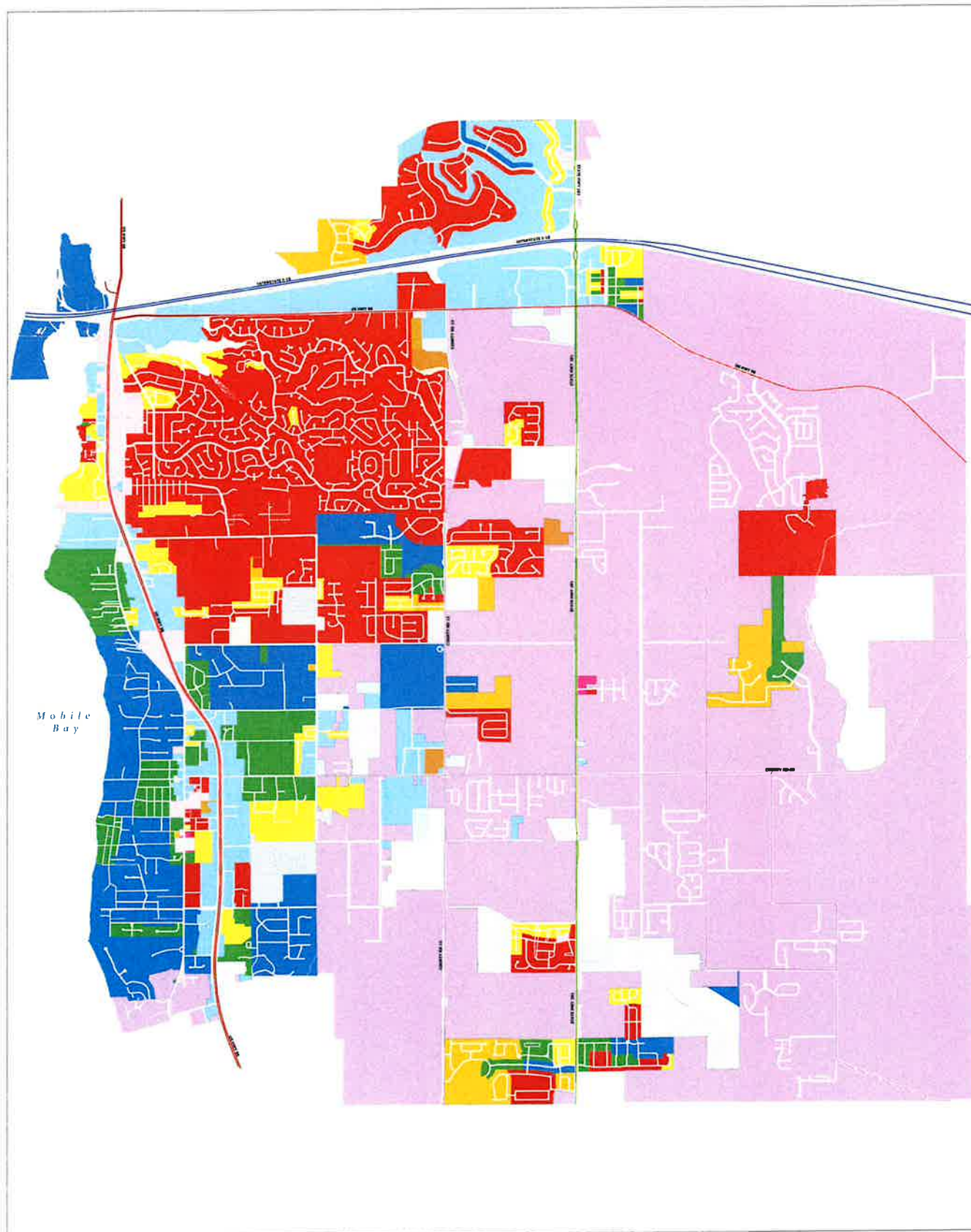
Attached please find the appropriate documentation and action of the Daphne Planning Commission.

Upon receipt of said documentation, please prepare an ordinance for placement on the City Council agenda to set a public hearing.

Thank you,
ADJ/jv

Attachment(s)

cc: file



Please write a clearly defined function and do not consider a single (small) case.

The only public within the district encompassed by the Co. of Duane is located over a diverse range of land, public and private, which are generally considered to be related. However, the City of Duane does not provide guarantees to the accuracy, completeness, or comprehensiveness of the information. The City is making decisions as to what is reported in order to maintain the integrity, completeness, accuracy, reliability, or comprehensiveness of the information to be disclosed from the City's financial information system.

Further, the City of Eugene, its representatives, agents, or employees shall not be liable, prosecuted with the violation of this title and shall not be responsible for any information it may furnish or form for any inquiries related to this title in any format, phone, email, and access to the City of Eugene, Community Development Department at 761.622.2525.

Group no. of 15th Nov. 1979

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COMMUNITY DEVELOPMENT INTERNAL MEMORANDUM

DATE: October 24, 2025
TO: Office of the City Clerk
FROM: Adrienne Jones, AICP, Director of Community Development
SUBJECT: Rowan Oak PUD Narrative Modification

PRESENT ZONING: PUD, Planned Unit Development

LOCATION: Northwest of the intersection of Milton Jones Road and County Road 13

RECOMMENDATION: At the Thursday, October 23, 2025, regular meeting of the Daphne Planning Commission, seven members were present, and the motion carried for a favorable recommendation for the above-mentioned modification of the Rowan Oak PUD Narrative Modification.

Attached please find the appropriate documentation and action of the Daphne Planning Commission.

Upon receipt of said documentation, please prepare an ordinance for placement on the City Council agenda to set a public hearing.

Thank you,
ADJ/ja



PUD Statement and Narrative



A Planned Unit Development

Developer:

68Venturës

707 Bellrose Avenue
Daphne, AL 36526
251-625-1198

Engineer/ Surveyor:



9969 Windmill Road
Fairhope, AL 36532
251-990-6566

Landscape Architects:



WAS Design
218 N. Alston Street
Foley, AL 36535
251-948-7181

Traffic Engineer:



Neel Schaffer, Inc.
851 East I-65 Service Road
Suite 1000
Mobile, AL 36606
251-471-2000

Project Summary

Rowan Oak is a 134.31 acre, Mixed Use Planned Unit Development located between County Road 13 and Friendship Road at the Milton Jones Road intersection. The development includes Single Family Residential lots of various sizes, Townhomes, Multi-Family, and Commercial properties.

Intent

By combining the various land uses proposed in Rowan Oak, the developer hopes to promote a more efficient use of land relative to the location of public streets and natural features. The developer is partnering with the City of Daphne to provide a much-needed east-west connection from Friendship Road to County Road 13 by the extension of Milton Jones Road, with a Roundabout at the intersection of Milton Jones Road and County Road 13. The development goal is to provide diverse housing opportunities for citizens of differing economic levels, preferences, and/or stages of life.

Public / Private Benefits

The development of Rowan Oak provides several Public benefits to the Daphne Community including:

- 1) At the behest of the City of Daphne, donation by the Developer of land for an 80-foot public Right-of-Way (50 feet wide by others where necessary) to City of Daphne for the extension of Milton Jones Road from County Road 13 to Friendship Road¹, a value of \$214,200².
- 2) At the behest of the City of Daphne, donation by the Developer of sufficient Right-of-Way to City of Daphne to enable the installation of a Roundabout at the intersection of Milton Jones Road and County Road 13.
- 3) At the behest of the City of Daphne, Developer to coordinate and provide capital for surveying and engineering services for the Milton Jones Road extension, a value of \$144,500³.
- 4) Developer to provide Design and Construction of Improvements at the Intersection of Friendship Road and County Road 64. A value of \$300,000. See Exhibit 1 herein.
- 5) Donation by the Developer of a 1.8-acre parcel to City of Daphne for a public park, a value of \$95,000.⁴
- 6) Construction by the Developer of two pickleball courts within the future public park, a value of approximately \$140,000.⁵
- 7) Annexation of 11.61 acres of Commercial Property for a potential tax revenue of approximately \$535,821.71 annually.⁶

Total direct Public Benefit Value as a result of Developer's actions = \$893,700.

There are various Private benefits that will be realized as a result of this development, including:

¹ The Developer acknowledges that the City of Daphne is in no way obligated to construct or cause to be constructed any of the Milton Jones road extension and intersection improvements referenced herein, and that the construction by the City of Daphne of such improvements is contingent upon the availability of sufficient funds as determined solely by the City of Daphne.

² Based on valuation of \$35k/ AC x 6.12 AC

³ Based on Developer-executed proposal for surveying and design services of Milton Jones Rd. Extension with Southeast Civil Engineering in the amount of \$144,500.

⁴ Based on valuation of \$47.5k/ AC x 2 AC

⁵ Based on estimated construction cost of \$70k per pickleball court x 2 Quantity.

⁶ Estimated figure calculated based on data published in City of Daphne's 2022 Annual Comprehensive Financial Report

- 1) Providing improved direct access to a Public Road for the privately owned Commercial lots in Friendship Park Subdivision via the new Milton Jones Road Extension.

Land Use Summary

Of the 134.31-acre Rowan Oak property, the majority will be utilized for Single Family Residential Lots. The proposed uses are outlined below:

72' Lots	27.4 AC
52' Lots	29.9 AC
42' Lots	25.5 AC
Townhomes	16.3 AC
Multifamily	17.5 AC
Commercial	11.61 Acres
ROW Donation for Milton Jones Extension and Roundabout	6.12 Acres

Streets, Drainage and Utilities

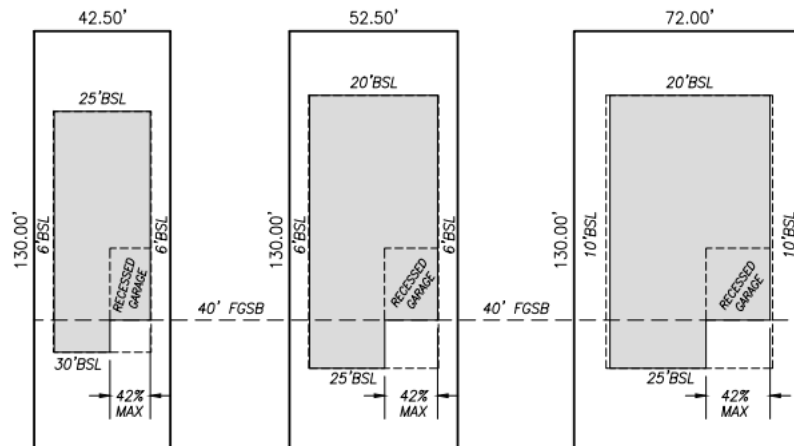
All streets and drainage will be designed to the current standards of the City of Daphne Land Use Ordinance. No deviations or variances will be requested. Traffic Calming is provided using Traffic Circles, Speed Tables, and Stop Signs. Utilities will be provided by Daphne Utilities (sewer), Belforest Water (water), Riviera Utilities (power), and AT&T (telephone).

Parking

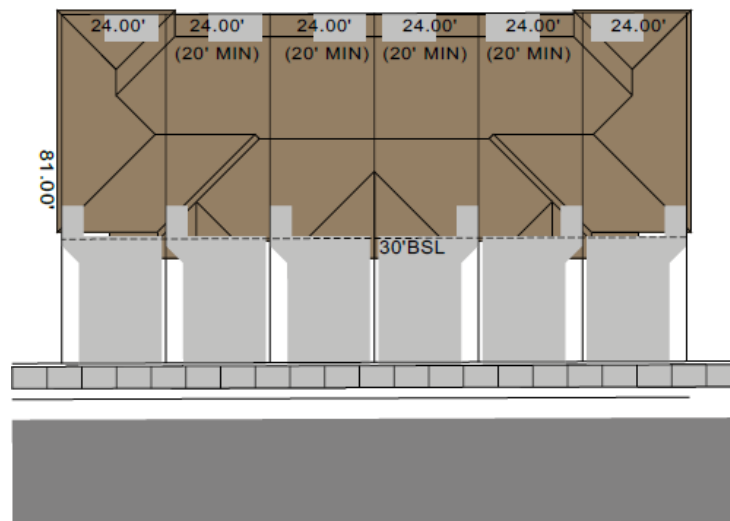
All Single-Family Residences will provide two spaces per house, with additional guest parking provided in strategic locations in the higher density neighborhood areas. Each Townhome unit will provide a garage plus two driveway spaces, with the addition of guest parking as required in the Land Use Development Ordinance. Multi-Family units will have two spaces per dwelling unit. Detailed plans have not been developed for the Commercial lots but any future Site Plans proposed will meet the current standards of the City of Daphne regarding parking.

Zoning Relaxations

In general, the various aspects of the Zoning Ordinance will be met in Rowan Oak in regards to Streets, Buffers, Parking and Open Space. However, the unique spatial characteristics of the various Lots proposed do not meet the specifics of the defined Zoning designations of the Land Use Ordinance. The Lots proposed and their related Building Setbacks are as follows:



Typical Single Family Lots



Typical Townhome Lots

Building Setbacks	
Front	30 Ft.
Rear	0 Ft.
Side	0 Ft.
Side Street	20 Ft.

Amenities

Various amenities are included in the Rowan Oak development plan within an overall 29.6 acres of open space. Open areas with trails, water features and a public park with two pickle ball courts are proposed in the Single-Family areas. A pool and cabana are proposed in the Townhome section next to two open play

areas and a water feature. The Multi-Family portion will include a clubhouse, pool, two pickle ball courts, and a water feature.

Architectural Themes

- I. Building materials including brick, stone, textured traditional cement stucco (i.e., real stucco) and cement siding are required as the primary veneer on new dwellings.
- II. Roofs must be varied in roofline treatments.
- III. The front facing garage (i.e., garage fronts) on single family homes shall be recessed and constitute not more than forty-two percent (42%) of the residential facade (as measured from the outside edge of garage doors, not including the frame).
- IV. Recessed garage doors oriented toward the front property line shall be as follows:
 - a. Garage doors must be positioned between five (5) feet and twenty (20) feet behind the front wall plane of the house. The front wall plane is defined as the principal building façade facing the primary street right of way.
 - b. The minimum front yard setback for said garage shall be forty (40) feet.
 - c. The minimum front yard setback for the principal structure may be reduced to twenty (20) feet.
 - d. The 42.5' foot lots will be subject to the 5' recessed garage requirement except for the Bluewater plan/elevations as submitted.
- V. The side-street facing garage setback shall be a minimum of twenty-two (22) feet from the sidewalk and recessed three (3) feet behind the side facade
- VI. Where the garage is located at the rear of the primary structure, the front yard setback shall be reduced to fifteen (15) feet, or ten (10) feet with an open air front porch.
- VII. Colored elevations shall illustrate that a minimum of three (3) different elevations are provided in each block face.
- VIII. Developments of thirty-five (35) dwelling units or more should offer a minimum of five (5) different elevations and ten percent (10%) of each respective elevation shall be provided in each block face.

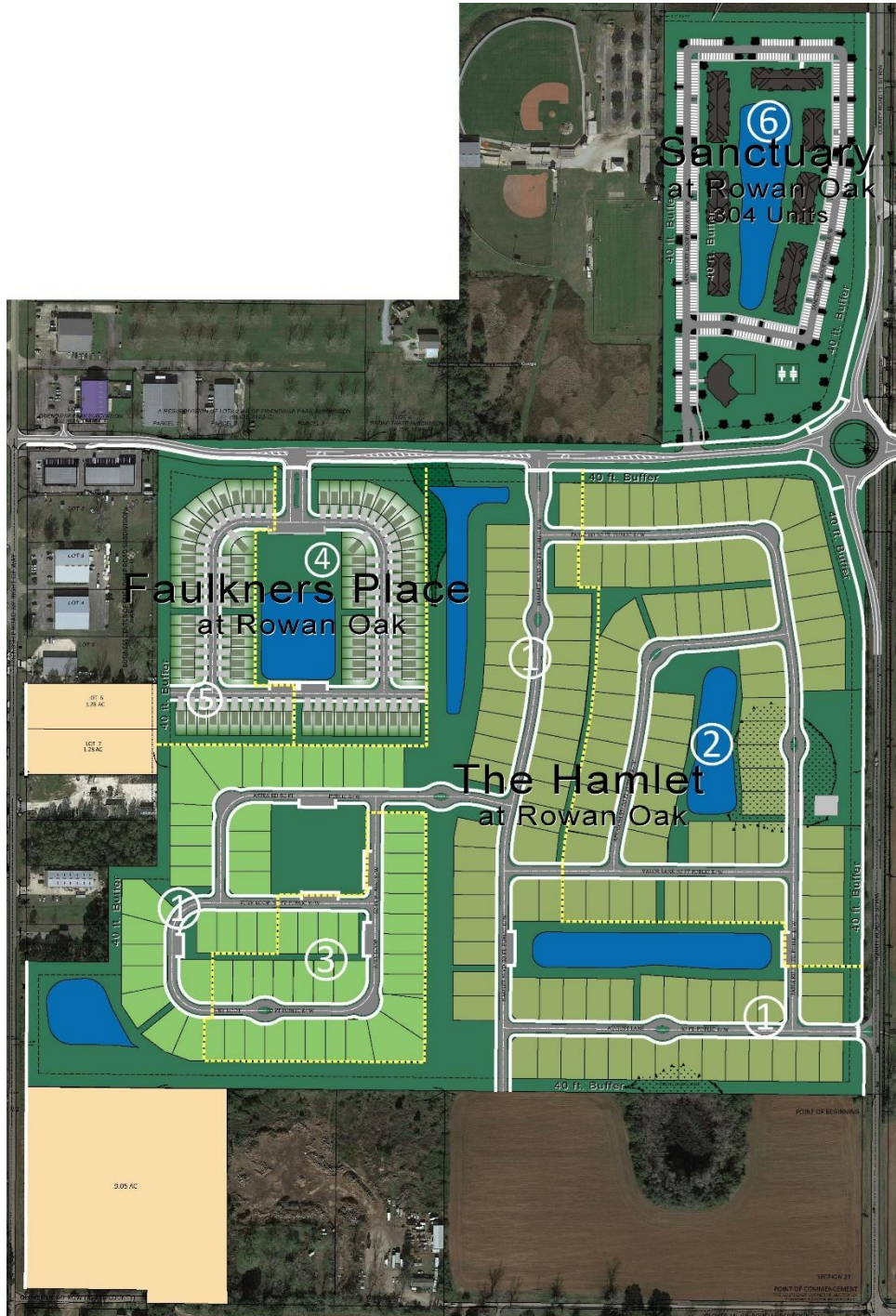
Additional Stipulations

- i. The use of vinyl siding shall be limited to fascia and soffits.
- ii. Minimum Building Setbacks for Single Family Detached Homes shall be as follows:
 - a. Front Setbacks for the 42.5' lots shall be 30 feet.
 - b. Rear Setbacks for the 42.5' lots shall be 25 feet.
 - c. Front Setbacks for the 52.5' lots shall be 25 feet.
 - d. Rear Setbacks for the 52.5' lots shall be 20 feet.
 - e. Front Setbacks for the 72' lots shall be 25 feet
 - f. Rear Setbacks for the 72' lots shall be 20 feet.
 - g. Side Setbacks for the 72 foot wide Lots shall be 10 feet.
 - h. Side Setbacks for the 42.5 foot wide and 52.5 foot wide Lots shall be 6 feet.
 - i. Side Street Setbacks for the 42.5 foot wide and 52.5 foot wide Lots shall be 15 feet.
 - j. Side Street Setbacks for the 72 foot wide Lots shall be 20 feet.
 - k. The 42.5' lots shall include a 2-car wide driveway (minimum width of 16 ft).

- iii. Minimum Building Setbacks for Townhomes shall be as follows:
 - a. Front Setbacks shall be 30 feet.
 - b. Side and Rear Setbacks shall be 0 (zero) feet
 - c. Side Street Setbacks shall be 20 feet.
 - d. Minimum Spacing between buildings shall be 24 feet with spacing between eaves being a minimum of 20 feet.
- iv. Developer responsibility for traffic improvements will be limited to the following, per the Traffic Impact Study conducted by Neel Schaffer:
 - a. The northbound approach of Friendship Road to County Road 64 will be widened to provide a dedicated left turn lane within the existing Right-of-Ways. In the event the proposed northbound left turn lane will require additional Right-of-Way may limit the ability of constructing the proposed turn lane improvements if additional Right-of-Way can't be acquired. See Exhibit 1, herein.
- v. Access points and unit density are limited to counts provided in the proposed plan.
- vi. Developer reserves the right to alter the proposed phasing plan and change the order of construction from the proposed plan at a later date.
- vii. Rowan Oak PUD will be subject to City of Daphne Land Use & Development Ordinance, with latest codifications dated 01/12/2024, including all subsequent Plats, Phases, and Building Permits.
- viii. Non jurisdictional grady ponds to be filled in as a part of development.
- ix. Commercial property to be site-planned at a later date, subject to City of Daphne Land Use & Development Ordinance. Traffic studies to be conducted at time of development and any improvements, as applicable, to be constructed at time of development.
- x. Commercial land uses shall be consistent with the B-2, General Business, district as provided in the City of Daphne Land Use & Development Ordinance with latest codifications dated through 01/12/24 except that the following uses shall not be permissible in the Rowan Oak PUD:
 - Adult entertainment or adult/sex retail sale facilities;
 - Jail facilities, housing of detainees or inmates, community correction facilities of any kind



EXHIBIT 1
Intersection Improvements by Developer
At Friendship Rd. and County Rd. 64



PUD Amendment

Proposed Amendment to PUD Statement and Narrative

The following outlines the proposed changes to the Rowan Oak Planned Unit Development (PUD) Narrative:

Reduction and Reallocation of Density

The Developer proposes reallocating density from the Townhome portion of the Approved PUD (Phases 4 & 5) and Single-Family portion (Phases 1 & 2) to the Multifamily portion of the PUD (Phase 6). The proposed change would reduce the Townhome and Single-Family lots and reduce the overall density of the PUD by 40 units (6.8%).

Reduction and Reallocation of Density		
	Approved Units	Proposed Units
Hamlet (SF)	249	192
Faulkner's Place (TH)	132	89
Sanctuary (MF)	204	264
Overall	585	545
Net Reduction		40

Revisions to Lot Types by Section

The Hamlet

- Proposing to remove the 42.5' & 52' lots.
- Proposed layout to be comprised of 62' and 72' lots.
- Proposed lot count is 192 lots, a reduction of 57 lots.
- Request to reduce the side setback from 10' to 6' on the 72' lots to accommodate Truland courtyard-garage style floorplans. Homes on the 72' lots will be required to have gutters.
- Recreational vehicles and campers shall not be parked or stored on any Lot. Boats and utility trailers, if desired to be kept on property, shall be parked fully enclosed within garages.

Faulkner's Place

- Proposing to move from attached to detached Townhome product.
- Proposing to increase lot size to 33'x 105'.
- Proposing to reduce unit count from 132 attached to 89 detached, a reduction of 43 units.
- Proposing new Elevations & Floorplans
- Setbacks and minimum spacing will be the following:
 - Front – 30'
 - Rear – 0'
 - Side – 10' / 0'
 - Side Street – 15'

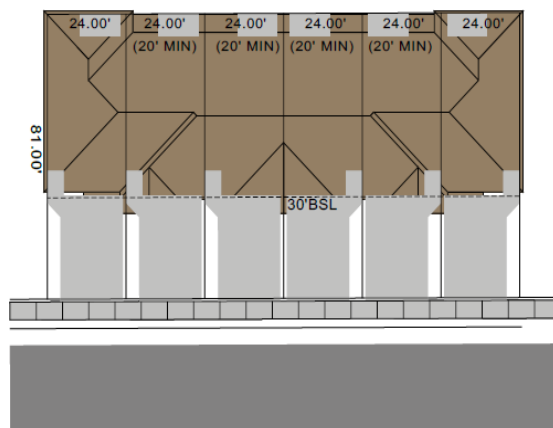
Proposed Conceptual Multifamily Site Plan



Multifamily units are to be 264 maximum, and all located in Phase 6. Maximum building coverage is 35%.

Townhome Lot Typicals

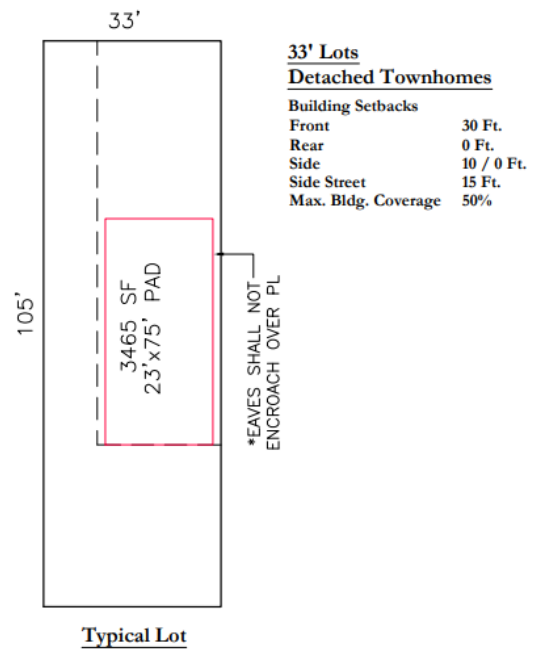
Approved Lot Typicals



Typical Townhome Lots

Building Setbacks	
Front	30 Ft.
Rear	0 Ft.
Side	0 Ft.
Side Street	20 Ft.

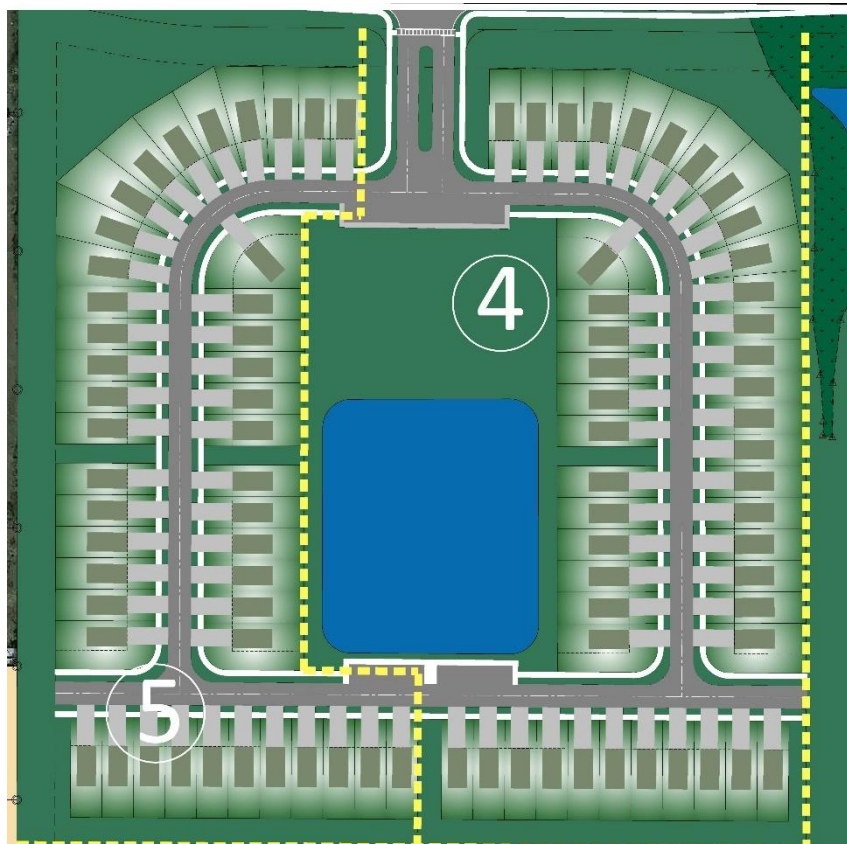
Proposed Lot Typical

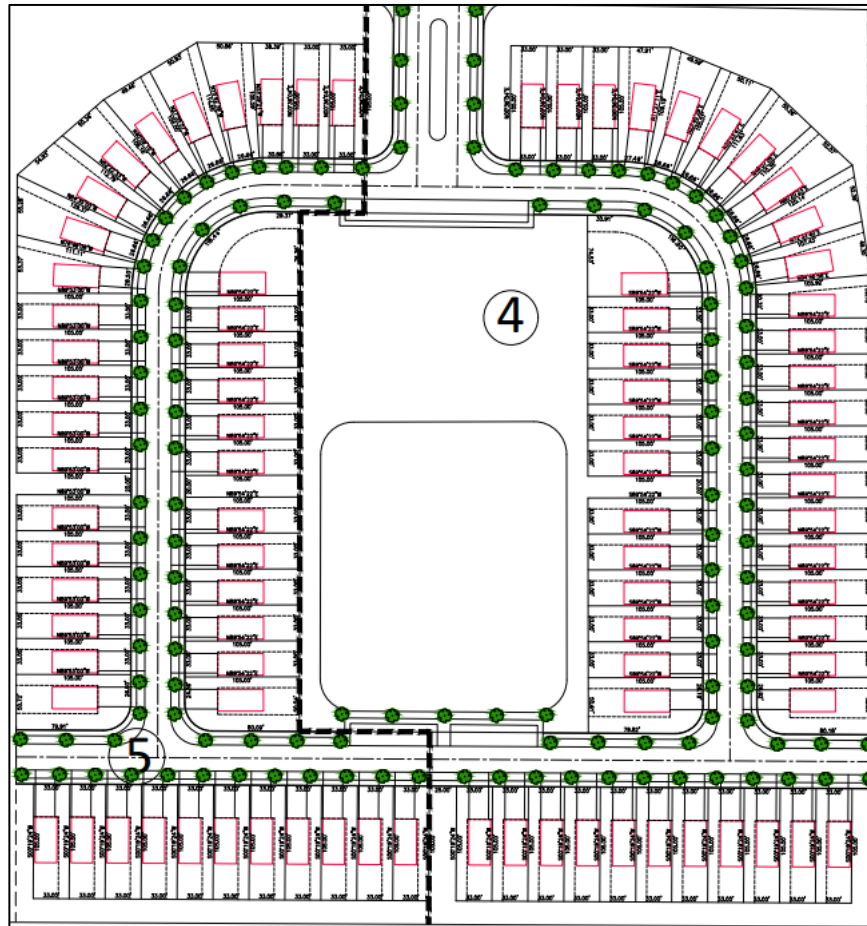


Approved Phase 4 & Phase 5 Layout



Proposed Phase 4 & Phase 5 Layout



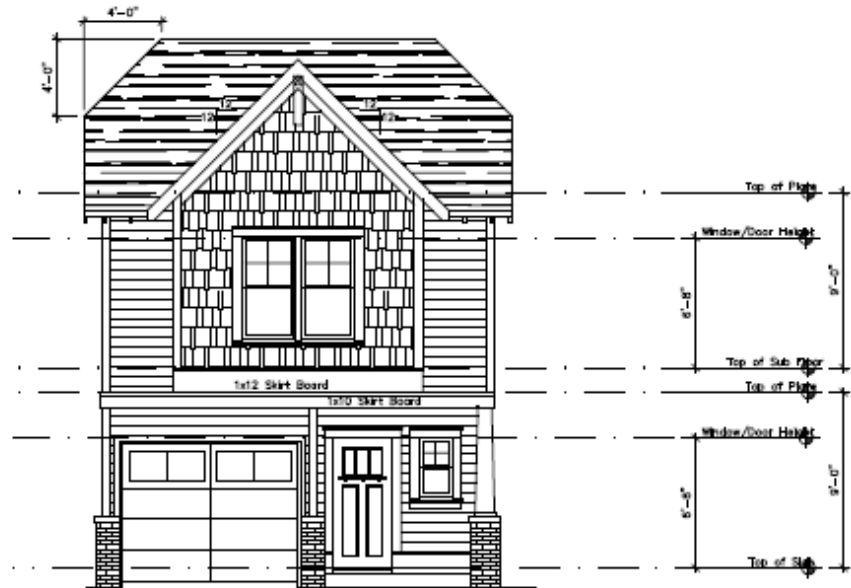


Elevations

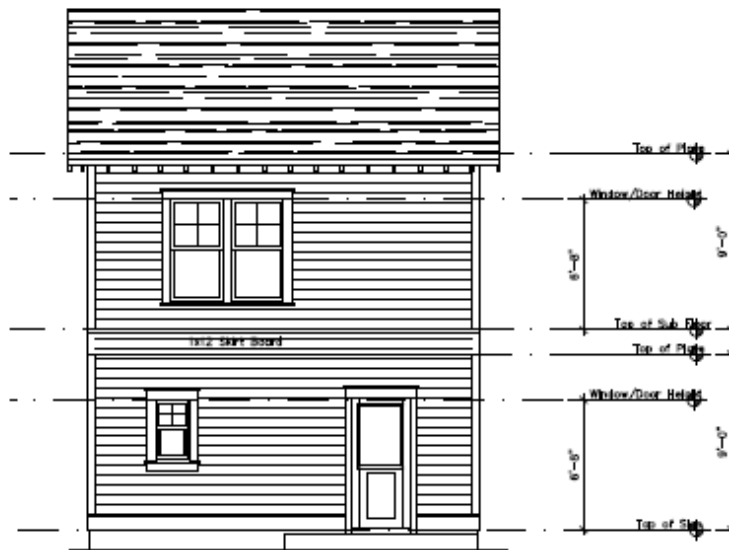




M A T E R I A L S L E G E N D	
①	Hardi Shake Siding
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles
⑤	Brick Veneer @ Front only

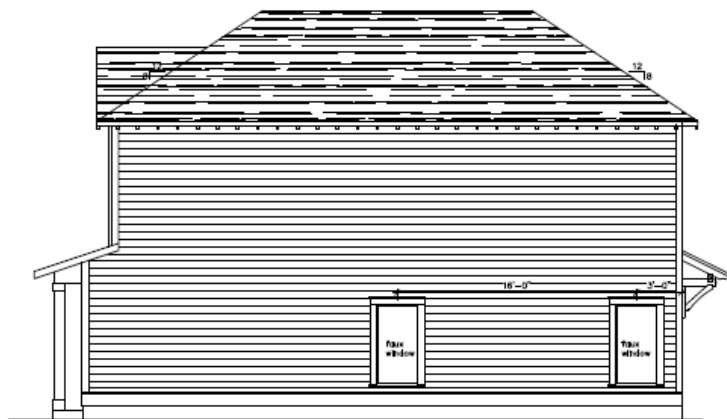


① Front Elevation
A3.1 1/4" = 1'-0"

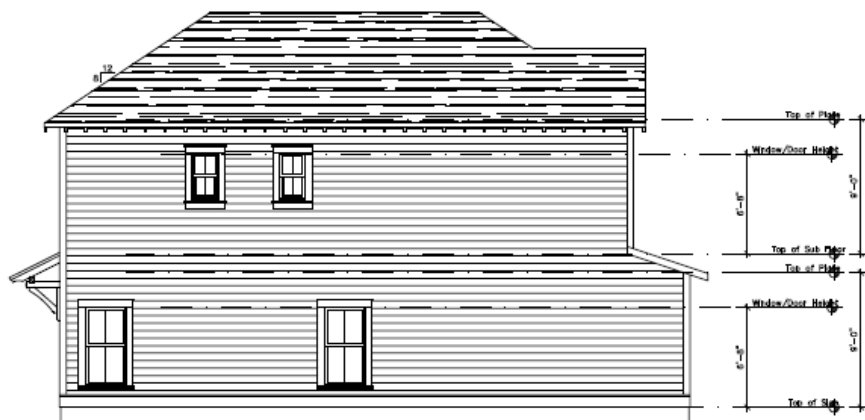


② Rear Elevation
A3.1 1/4" = 1'-0"

M A T E R I A L S L E G E N D	
①	Board & Batten @ 16" OC
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles

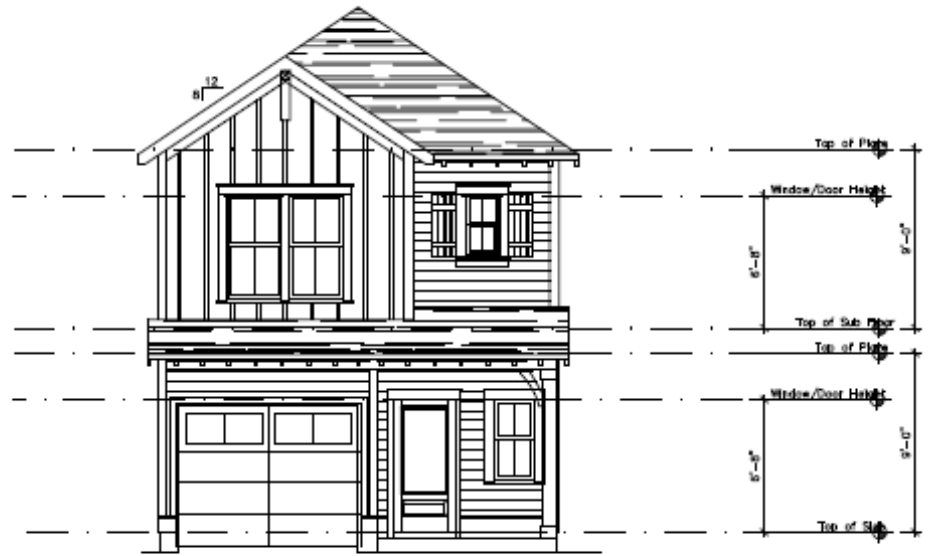


① Right Side Elevation
A3.2 1/4" = 1'-0"



② Left Side Elevation
A3.2 1/4" = 1'-0"

M A T E R I A L S L E G E N D	
①	Board & Batten @ 16" OC
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles

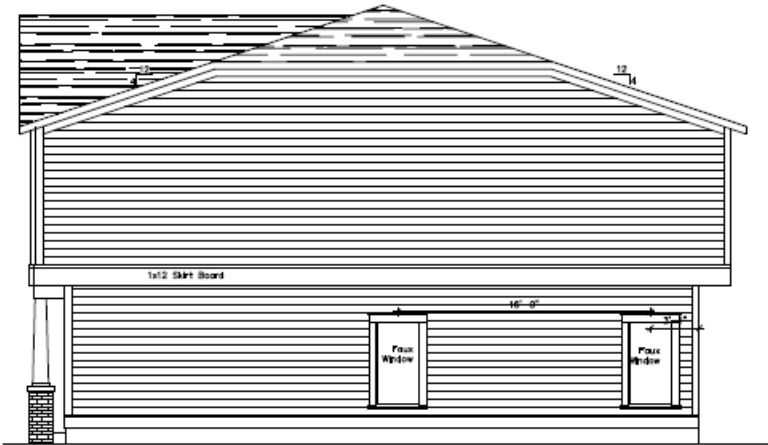


① Front Elevation
A3.1 1/4" = 1'-0"



② Rear Elevation
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M A T E R I A L S L E G E N D	
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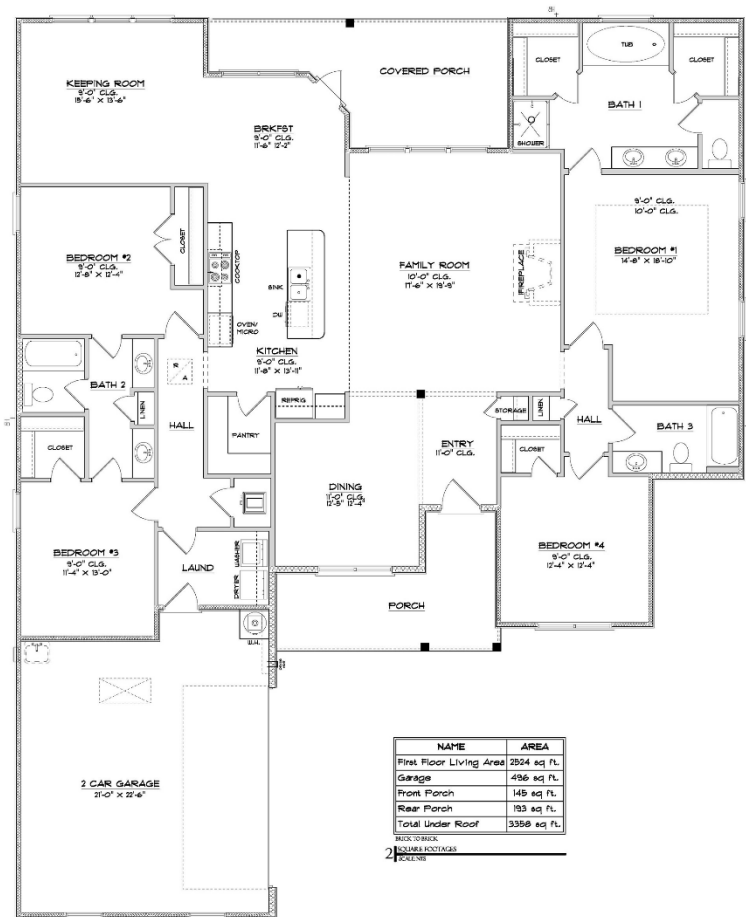


① Right Side Elevation
A3.2 1/4" = 1'-0"



② Left Side Elevation
A3.2 1/4" = 1'-0"









COMMUNITY DEVELOPMENT



October 24, 2025

68V Ventures
Attn.: Chloe Kelly
707 Belrose Avenue
Daphne, AL 36526

**Subject: Rowan Oak Master Plan Amendment Project Status #MPA25-03 &
Rowan Oak PUD Narrative Amendment Project Status #AP25-13**

Dear 68V Ventures,

On October 23, 2025, the Daphne Planning Commission gave approval of the Rowan Oak Master Plan Amendment. The property is currently zoned PUD, Planned Unit Development in the City of Daphne.

Additionally, the Daphne Planning Commission also set forth a favorable recommendation to approve the proposed amendments to the Rowan Oak PUD Narrative subject to the following regarding the multi-family units: the maximum units are to be 264; maximum building coverage for multi-family is 35%; and all multi-family units are to be located in Phase 6.

If you have any questions, feel free to contact me.

Sincerely,

Adrienne D. Jones, AICP
Community Development Director & Zoning Administrator

cc: David Diehl - Email
File

**December 15, 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; Captain Reggie Ardis, Police; Chief Tacon, Fire; Emmie Powell, Library; Troy Strunk, City Development; Ange Baggett, Marketing; Bobby Purvis, Public Works; Amber Lue, Junior City Councilmember; Isabella New, Junior City Councilmember; John Wallace Simpson, Junior City Councilmember; and Jessica Linne, Interim City Clerk.

INVOCATION/PLEDGE OF ALLEGIANCE:

Invocation was given by Ms. Mykell Hudson, City Hope Church.

2. RECOGNITIONS:

RECOGNITION: Mayor LeJeune recognized the Daphne High School and Daphne Middle School Cheer Teams for their many accomplishments the 2025-2026 school year.

3. APPROVE THE MINUTES:

The minutes from the December 1, 2025 Regular Meeting were approved.

4. REPORT OF STANDING COMMITTEES:

A. FINANCE COMMITTEE

Councilwoman Conaway said the Committee met earlier and the next meeting is January 20th at 4:30pm.

B. BUILDINGS & PROPERTY COMMITTEE

Councilwoman Messinger said the November new Construction and Building Report is in the packet and out of that there were 9 certificates of occupancy, 216 permits issued, 10 new residential home permits, totaling \$219,396.48. She said the minutes from the November 10th meeting are in the packet and the next meeting is January 12th at 5:15pm.

C. PUBLIC SAFETY COMMITTEE

Councilwoman Green said the next meeting is January 12th at 4:30pm and the minutes from the November meeting are in the packet.

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE

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

E. PUBLIC WORKS COMMITTEE

Councilman Coleman said the next meeting is January 5th at 5:15pm.

5. REPORTS OF SPECIAL BOARDS & COMMISSIONS:

A. Board of Zoning Adjustments

Troy Strunk said there will be a meeting on January 8th.

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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 18th at 5:30pm.

D. Industrial Development Board

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

E. Library Board

Councilman Olen said the next meeting is January 8th at 4:30pm.

F. Planning Commission

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

G. Recreation Board

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

H. Utility Board

Councilman Coleman said the next meeting is January 28th at 5pm and the minutes from the October meeting are in the packet.

6. PUBLIC PARTICIPATION:

Public participation opened at 6:15pm. No one came forward to speak.

Public participation closed at 6:15pm.

7. MAYOR'S REPORT:

Mayor LeJeune congratulated Code Enforcement Officers Christina Brazell and Alex Bischoff for recently being awarded the "Jill Robinson Award" by the Code Enforcement Officer Safety Foundation. He mentioned the City had the annual Christmas luncheon that past Friday and had a great time.

8. CITY ATTORNEY REPORT:

City Attorney said there was a matter for Executive Session regarding a pending lawsuit and the Executive Session shouldn't take more than 20 minutes.

9. DEPARTMENT HEAD COMMENTS:

Captain Ardis, Police, mentioned "Cookies with a Cop" had a great turnout. He commended Jason Day and Toby Pearce for their work in collecting items for a stocking drive for children throughout Baldwin County. He said they collected enough items for 200 stockings. He commended East Shore Café for always taking care of the City and its employees.

Ange Baggett, Marketing/Tourism, said Skating with Santa is Thursday and Friday from 4:00 – 8:00pm.

Emmie Powell, Library, said they enjoyed hosting the craft station at the City's Tree Lighting and invited everyone to the Christmas movie/pajama party on Monday, December 22nd as well as the New Year's Celebration on December 31st.

Bobby Purvis, Public Works, said the speed table on Deer Avenue is completed. He discussed a business called "Ransom Solutions" recently partnered with the City to help clean up some homeless encampments.

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Junior City Councilmember, Amber Lue, said the Junior Council is looking forward to volunteering at Skating with Santa. She encouraged everyone to donate animal shelter supplies at any of the three locations and reminded everyone the next Junior Council meeting is December 17th at 4:00pm

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**

**MOTION by Councilman Coleman to waive the reading of Resolutions 2025-70, 2025-83 and 2025-84.
Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-70. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-83. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Resolution 2025-84. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

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**

**MOTION by Councilman Coleman to waive the reading of Ordinance 2025-22. Seconded by Councilwoman Messinger.
MOTION CARRIED UNANIMOUSLY.**

**MOTION by Councilman Coleman to adopt Ordinance 2025-22. Seconded by Councilwoman Messinger.
MOTION CARRIED UNANIMOUSLY.**

13. 1ST READ ORDINANCES:

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

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- 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

Councilwoman Conaway thanked City staff for their work and wished everyone a Merry Christmas and Happy New Year.

Councilman Olen wished everyone a Merry Christmas and Happy New Year and congratulated the Code Enforcement Officers.

Councilman Coleman thanked the Mayor and staff for a great Tree Lighting.

Councilman Roberts said it was a great Tree Lighting event and commended the Daphne High School and Middle School Cheer teams.

Councilwoman Messinger wished City staff a Merry Christmas and said she's enjoyed the Christmas events.

Councilwoman Green encouraged all to remember their "why" for the season and thanked City employees for their work as well as congratulating the cheer teams.

Mayor LeJeune thanked the City Staff for their work and the Council for their support.

Council President Hughes thanked the staff for their work at the Christmas events.

15. EXECUTIVE SESSION:

City Attorney certified that the Council should enter into an Executive Session concerning matters of pending litigation. He said it should take 20 minutes and the Council should have no reason to vote or return from the meeting so they could adjourn into executive session.

MOTION by Councilman Coleman to enter into Executive Session. Seconded by Councilwoman Conaway.

Interim City Clerk did a roll call vote.

Councilwoman Conaway	Aye
Councilman Olen	Aye
Councilman Coleman	Aye
Councilman Roberts	Aye
Councilwoman Messinger	Aye
Councilwoman Green	Aye
Council President Hughes	Aye
MOTION CARRIED UNANIMOUSLY.	

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16. ADJOURN:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, COUNCIL ADJOURNED INTO EXECUTIVE
SESSION AT 6:35PM.

Respectfully submitted by,

Certification of Presiding Officer,

Jessica Linne, Interim City Clerk

Ben Hughes, Council President



**CITY OF DAPHNE
FINANCE COMMITTEE MINUTES
MONDAY, DECEMBER 15, 2025 at
4:30 P.M.**

1. CALL TO ORDER/ROLL CALL

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

Present were:

Chairwoman Mrs. Tommie Conaway
Councilman Mr. Steve Olen
Councilman Mr. Oliver Roberts

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

Also Present: Mayor Robin LeJeune, Finance Director Mrs. Kelli Reid, Revenue Officer Mrs. Connie Champion, Human Resource Deputy Director Mrs. Jensen Carrell, Interim City Clerk Mrs. Jessica Linne, Executive Director of City Development Mr. Troy Strunk, Fire Chief Ms. LeAnn Tacon, Director of Events and Marketing Mrs. Ange Baggett, Public Works Director Mr. Bobby Purvis, Solid Waste Supervisor Mr. Randy Jones, City Engineer Andy Bobe, and City Attorney Mr. Jay Ross,

Junior City Council – Dareon Maynard.

2. PUBLIC PARTICIPATION

There was no public participation.

3. APPROVE MINUTES FOR THE PREVIOUS MEETING

The previous meeting minutes were approved.

4. HUMAN RESOURCES BUSINESS

A. Update on Human Resources Department Activity

Mrs. Jensen Carrell reviewed the Human Resources Report:

- Current Open Positions – 16

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

5. BUSINESS LICENSE REPORT

A. Report: New Business Licenses – November, 2025

Mrs. Champion reviewed the following reports and information:

- Total Business Licenses issued were 33 new and 12 renewals for a total of 45 in November 2025
- New Businesses with a physical location in Daphne - 2
- Code enforcement issued 1 warnings resulting in businesses becoming compliant and \$114.00 in revenue.
- Simplified Sellers Use Tax collections - \$208,391.87 and YTD collections - \$424,717.90

6. SALES & LODGING TAX REPORT

A. Sales and Use Taxes: October, 2025

Mrs. Reid reviewed the Sales & Use Tax Reports: \$2,324,667.52 was collected for October, 2025 which was up \$61,112.13 from October 2024's collections:

- YTD Variance over Budget - \$224,667.52

B. Lodging Tax Collections, October, 2025

Mrs. Reid reviewed the Lodging Tax Collections Report and noted the collections for October, 2025 were \$157,492.89 which is up \$3,188.72 from October 2024's collections.

- YTD Variance over Budget - \$3,188.72
- Recreation balance for related purchases as of **November, 2025** - \$1,010,100.68
- Bayfront balance for related purchases as of **November, 2025** - \$1,559,374.12

C. Monthly Occupancy Fee Tax Collections, October, 2025

Mrs. Reid reviewed the Monthly Occupancy Fee Tax Collections Report: \$43,961.50 was collected for **October**, 2025 which was down (\$2,956.50) from **October** 2024's collections:

- YTD Variance over Budget - (\$2,956.50)
- Reserved balance for Occupancy Fee as of **November, 2025** - \$616,456.00

7. FINANCIAL SCHEDULES & REPORTS

A. Financial Reports

1. Treasurer's Report: November, 2025

Mrs. Reid reviewed the Treasurer's Report:

TREASURER'S REPORT					
As of November 30, 2025					
Account Type/Title	11/30/2025	10/31/2025	Increase (Decrease) from last Month	11/30/2024	Increase (Decrease) from Last Year
GENERAL FUND & ENTERPRISE FUNDS	\$ 14,589,679	\$ 13,562,964	\$ 1,026,716	\$ 17,229,773	\$ (2,640,094)
INVESTMENT FUND	11,447,914	11,362,526	85,387	10,915,374	\$ 532,540
Total Unrestricted Cash Balance	26,037,593	24,925,490	1,112,103	28,145,147	(2,107,554)
SPECIAL REVENUE FUNDS					
4 CENT GAS TAX	410,535	405,540	4,995	345,853	64,682
7 CENT GAS TAX	439,027	432,382	6,644	357,600	81,427
10 CENT GAS TAX	333,485	310,364	23,121	293,320	40,165
TREE & FLOWER	-	-	-	10,287	(10,287)
ANIMAL SHELTER FUND	134,135	137,320	(3,185)	292,323	(158,188)
MOBILE INFIRMARY BUILDING	92,750	90,357	2,393	102,084	(9,334)
FEDERAL DRUG FORFEITURES	109,139	109,139	-	275,561	(166,422)
LOCAL DRUG FORFEITURES	89,565	89,565	-	99,749	(10,184)
LIBRARY	93,067	80,682	12,385	75,515	17,552
COURT TRAINING & EQUIPMENT	41,717	41,373	343	41,250	467
COURT/CORRECTION	551,611	561,312	(9,701)	500,692	50,919
LODGING TAX	3,185,931	3,072,372	113,559	2,464,448	721,483
AGENCY FUNDS					
SELF INSURANCE	198,114	200,643	(2,529)	229,234	(31,120)
OPEB TRUST INVESTMENT FUND	2,027,668	2,019,146	8,522	1,638,314	389,354
	7,706,743	7,550,196	156,547	6,726,230	980,513
CAPITAL PROJECT FUNDS					
CAPITAL RESERVE	12,525,398	12,642,600	(117,202)	5,626,646	6,898,752
2023 CONSTRUCTION FUND	364,129	444,552	(80,423)	6,218,900	(5,854,771)
	12,889,527	13,087,152	(197,625)	11,845,546	1,043,981
DEBT SERVICE FUNDS					
DEBT SERVICE	946,117	822,456	123,660	910,016	36,101
Total Restricted Cash Balance	21,542,387	21,459,805	82,582	19,481,792	2,060,595
Total City Cash Balance	\$ 47,579,980	\$ 46,385,294	\$ 1,194,686	\$ 47,626,939	\$ (46,959)
	Encumbrance Total as of		11/30/2025	\$ 209,251.84	

2. Encumbrance Report

- Encumbrance balance - \$209,251.84 as of November, 2025.

Mrs. Reid reviewed the Encumbrance Report.

3. Outstanding Appropriations

Mrs. Reid reviewed the Outstanding Appropriations Report. Mr. Hughes asked when the Sidewalk project would start. Mr. Strunk reviewed the project and noted he estimated the project to be bid in the first quarter of 2026. Mr. Strunk explained there are grant monies available for the sidewalk project. Mr. Strunk explained that this project will connect the sidewalks starting at Whispering Pines to YMCA all the way to Pinehill Road near the Sports Complex. The Mayor added additional existing sidewalks that would also be connected.

4. Financial Overview: Debt Summaries & Monthly Financial Statements

Mrs. Reid reviewed the following Financial Statements:

- Debt Summary Schedules (General & Enterprise Funds), November, 2025
 - Outstanding Warrant Balance as of November, 2025: \$28,151,132
 - Outstanding Capital Lease Balance as of November, 2025:
 - General Fund: \$233,344
 - Enterprise Fund: \$807,456
- Overtime Report YTD
- Monthly Financial Statements, October 2025
 - General Fund YTD Budgetary Net Income: \$576,228 which is more \$110,586 than the prior YTD net income
 - Solid Waste Fund Transfers \$0
 - Civic Center Fund Transfers \$1,004

5. Summary of Budgetary Amendments

Mrs. Reid noted that there were no budgetary amendments for the FY2026 Budget.

6. Unfunded Future Projects Expenditure Summary

Mrs. Reid reviewed the Unfunded Future Projects Expenditure Summary.

B. Bills Paid Reports – November, 2025

The Bills Paid Report was previously presented electronically.

8. BIDS & APPROPRIATIONS (Resolution)

A. Demolition of Structures at 505 Van Avenue

Mrs. Reid reviewed the \$10,000 appropriation needed for the demolition of the structures at 505 Van Avenue. Discussion continued on filing a lien and that a separate motion would need to be made for the lien to be filed for reimbursement of cost.

MOTION BY Mr. Hughes to recommend to Council to adopt a Resolution amending the budget to appropriate \$10,000 from the General Fund for the demolition of structures at 505 Van Avenue. Seconded by Mrs. Green.
MOTION CARRIED UNANIMOUSLY

9. SURPLUS

A. Surplus: 2000 Ford F450SD – V#775 -Solid Waste Department

Mrs. Reid reviewed the request to surplus the 2000 Ford F450 SD – V#775.

MOTION BY Mr. Hughes to recommend to Council to declare certain property surplus and authorize the Mayor to dispose of the following surplus property: 2000 Ford F450 SD. Seconded by Mrs. Messinger.
MOTION CARRIED UNANIMOUSLY

10. NEW BUSINESS

A. Amendment to Business License Ordinance to Enable Licensure of Mobile/Itinerant Businesses

Mrs. Reid reviewed that a business owner came to the Revenue office and asked if they needed a Business License for his mobile business. Mr. Patrick Dungan reviewed the Business License Ordinance and found an update was needed for these type of licenses.

MOTION BY Mrs. Messinger to recommend to Council to adopt an Ordinance to Enable Licensure of Mobile/Itinerant Businesses. Seconded by Mr. Hughes.
MOTION CARRIED UNANIMOUSLY

B. Gasoline Tax Ordinance Update

Mrs. Reid reviewed the Gasoline Tax Ordinance and asked for clarification if the total 3% of gas tax collections should be in the same local gas tax fund for resurfacing starting in FY2027. Mrs. Reid noted that the current 1 cent is already appropriated for FY2026 so it cannot be moved this fiscal year. Mrs. Reid noted the earliest the new 2 cents gas tax can take effective is April 1, 2026.

***MOTION BY Mr. Olen to recommend to Council to adopt an Ordinance authorizing Gasoline Tax Ordinance Update. Seconded by Mr. Hughes.
MOTION CARRIED UNANIMOUSLY***

11. OLD BUSINESS

A. There was no new business discussed.

12. ADJOURN The meeting adjourned at 4:56 p.m.

CODE ENFORCEMENT/ORDINANCE COMMITTEE MEETING

**December 1, 2025, 4:30 p.m.
City Hall, Council Chamber
1705 Main Street, Daphne, AL 36526**

MEETING MINUTES

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

ALSO PRESENT: Jay Ross, City Attorney; Christina Brazell, Code Enforcement; Mayor LeJeune; Troy Strunk, City Development; Andy Bobe, City Engineer; Bobby Purvis, Public Works; Chief Tacon, Fire; Randy Jones, Public Works; Kelli Reid, Finance; Emma Coleman, Junior Councilmember; Lakyn Coggin, Junior Councilmember; Schuyler Smith, Junior Councilmember; and Jessica Linne, Assistant City Clerk.

1) CALL MEETING TO ORDER / ROLL CALL

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

2) APPROVE MINUTES FROM THE October 6, 2025 Meeting

3) PUBLIC PARTICIPATION

4) ORDINANCE REVIEW/DISCUSSION

Troy Strunk presented on the resolution authorizing the issuance of a municipal sales and use tax exemption certificate for the Mobile River Bridge and Bayway Project.

**MOTION by Councilman Hughes to recommend to Council to approve the Resolution. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.**

5) OTHER BUSINESS DEEMED NECESSARY

Mayor LeJeune shared the attorney for the BZA has resigned and asked the Council about appointing an interim attorney.

Councilman Coleman brought up the topic of the hotel in Olde Towne Daphne and expressed his concerns. Council discussed the ordinance.

Christina Brazell, Code Enforcement, shared about Code Enforcement Officer Bischoff's family member passing and asked everyone to remember him in their thoughts and prayers.

**MOTION by Councilman Hughes to appoint Adams and Reese to be the interim attorneys for the Board of Zoning Adjustments. Seconded by Councilman Olen.
MOTION CARRIED UNANIMOUSLY.**

6) NEXT MEETING

The next meeting is scheduled for Monday, January 5, 2026 at 4:30 p.m.

7) ADJOURN

There being no further business to discuss, the Council adjourned at 5:06pm.



City of Daphne Event Permit Application

TYPE OF PERMIT:

- ☒ Special Event/Fundraiser ☐ Parade/Run (Streets Use) ☐ Walk (Sidewalks Only)
☐ Athletic Complex/Sporting Event ☐ Other: _____

APPLICANT & ORGANIZATION INFORMATION

ORGANIZATION NAME: Daphne H.S. Air Force JROTC

APPLICANT NAME: Lt Col (Ret) Scott Lamont

STREET: 9300 Champions Way CITY, STATE, ZIP: Daphne, AL 36526

CONTACT PHONE: 251-626-0096 EMAIL: slamont@bcbe.org

"ON SITE" CONTACT PERSON DAY OF EVENT: Lt Col (Ret) Scott Lamont

CELL PHONE: 210-326-2176 EMAIL: slamont@bcbe.org

EVENT INFORMATION

EVENT NAME: Donut Sale Fundraiser for Air Force JROTC

TYPE OF/PURPOSE OF EVENT: Fundraiser for Daphne H.S. JROTC Program

EVENT DATE: 1/17/2026 (see additional dates below) TIME (START- END): 7:30am - 12:30pm

ASSEMBLY TIME: 7:00 am # PARTICIPANTS/VEHICLES: Approx 15

EVENT LOCATION: Intersections of Eastern Shore Trail & Windsor Dr and Hwy 90 & Bay View Dr

FULL DESCRIPTION OF EVENT (PLEASE LIST ANY TENTS, STAGING, PORT-O-LETS, OR SIMILAR ITEMS THAT WILL BE USED ON-SITE): No special requirements. Cadets will be selling donuts at the above

location. Cadets will be supervised by either Daphne H.S. JROTC staff or another adult. Safety

vests will be worn. Requesting permit to cover all of our donut sales for the remainder of the

school year: 2/28/2026, 3/21/2026, 4/25/2026

SPECIAL REQUESTS

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

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

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

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

OTHER SPECIAL ITEMS FOR RENT:

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

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

OTHER SPECIAL REQUESTS: None

MARKETING & COMMUNICATIONS

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

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

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

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

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

NAME: _____ CONTACT PHONE: _____

OTHER MARKETING REQUESTS: _____

REVENUE/BUSINESS LICENSE

WILL SALES BE GENERATED AT YOUR EVENT: ☒ Yes** ☐ No ** If Yes, please provide your City of Daphne

Business License Number here: Sales, but not for profit. Fundraiser

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

INDEMNITY & HOLD HARMLESS AGREEMENT

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

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

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

APPLICANT SIGNATURE: _____

DATE: 12/16/2025

INTERNAL USE ONLY

DATE REC'D: <u>12-16-2025</u>	CITY CLERK: _____
FIRE DEPT: <u>Al G. Taylor</u>	APPROVED ROUTE: _____
POLICE DEPT: _____	ROUTE MAP ATTACHED: ☐ Yes ☐ No
PUBLIC WORKS: <u>Bobby Curran</u>	EVENT FEE: ☐ Paid \$ _____ CHK# _____
SPORTS & RECREATION: _____	☐ Waived: _____
MARKETING & EVENTS: _____	PROOF OF INSURANCE REC'D: ☐ Yes ☐ No
** REVENUE: _____	

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2026-01**

APPROPRIATION: DEMOLITION OF STRUCTURES AT 505 VAN AVENUE

WHEREAS, Ordinance 2025-17 approved and adopted the Fiscal Year 2026 Budget on September 15, 2025; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2026 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2026 budget; and

WHEREAS, Resolution 2025-77 ordered the demolition of structures at 505 Van Avenue after finding the subject buildings on the property are dangerous because they are unsafe to the extent that they are a public nuisance; and

WHEREAS, City staff has reviewed quotes received for the demolition of structures on 505 Van Avenue and determined the lowest quote of \$19,000 to be acceptable; and

WHEREAS, the FY2026 budget appropriated \$10,000 for the abatement and demolition of any needed property; and

WHEREAS, an additional appropriation of \$10,000 is needed to pay the contractor and any additional minor costs that may be incurred ; and

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

- 1) Funds in the amount \$10,000 from the **General Fund** are hereby appropriated and made part of the Fiscal Year 2026 Budget for the demolition of structures at 505 Van Avenue.
- 2) The Mayor is hereby authorized and directed to do or perform or cause to be done or performed in the name of and behalf of the City such other acts, and to execute, deliver, file and record such other instruments, documents, certificates, notifications and related documents, all as shall be required by law or necessary or desirable to carry out the provisions and purposes of this resolution.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _____ DAY OF _____, 2026.

ATTEST:

Robin LeJeune, Mayor

Jessica Linne, Interim City Clerk

**CITY OF DAPHNE, ALABAMA
RESOLUTION 2026 - 02**

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

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

WHEREAS, the item listed below is recommended for disposal.

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

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

DEPT	EQ/VEH #	DESCRIPTION	VIN/SN
SW	775	2000 FORD F-450SD PU	1FDXW46S9YEC84834

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

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _____ day of _____, 2026.

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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to
AUTHORIZING ORDINANCE

relating to
the issuance of

Not to Exceed \$8,000,000
City of Daphne, Alabama
Limited Obligation Project Revenue Warrant (The Fortuna Hotel Project)
Series 2026

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Exhibit A - Legal Notice
Exhibit B - Form of Investment Letter
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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

[____], 2026

MATURITY DATE

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 (45th) day next preceding the date fixed for such redemption.

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

company, as defined in Section 2(13) of the 1933 Act; (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Warrants; or (v) Developer's lender(s), mortgagee(s), beneficiary(ies) under a deed of trust, equity investor(s), other parties holding interest in the Project or Project Site, or successor fee simple owners of the Project Site. Each transferee shall be required to execute and deliver to the City an investment letter in the form attached as **Exhibit B** hereto.

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

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

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

Section 15. [Reserved]

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

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

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

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

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

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

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

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

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

Section 20. **Warrant Fund.** There is hereby created a special escrow fund, the name of which shall be the “The Fortuna Hotel Project Warrant Debt Service Fund,” for the purpose of providing for the payment of the principal of the Warrants. The Warrant Fund shall be maintained until the principal of the Warrants shall have been paid in full, payment duly provided therefor in a manner which will cause the Warrants to be no longer outstanding, or the pledge of the Special Pledged Taxes has expired pursuant to the Project Development Agreement or the Authorizing Ordinance. The Paying Agent shall be the depository, custodian and disbursing agent for such fund. Upon request of Developer or a Holder, the City or Paying Agent shall from time to time provide reasonable documentation evidencing amounts held in the Warrant Fund. No transfer from the Warrant Fund to other City purposes shall occur until payment in full/defeasance of the Warrant or expiration of the pledge under this Ordinance.

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

Section 21. **[Reserved]**

Section 22. **[Reserved]**

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

Section 24. **[Reserved]**

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

Section 26. Investment of Moneys in Funds and Accounts. Subject to the right of the City specified below to direct the investment of moneys in the funds and accounts created hereunder, moneys held in any fund or account created hereunder shall be continuously invested and reinvested by the Paying Agent in Eligible Investments which shall have the highest interest rate or profit potential among Eligible Investments reasonably known and available to the Paying Agent in the ordinary course of its business and which shall mature on such dates (or be subject to redemption at the option of the Holder thereof on such dates and at such stated prices) as will assure the availability of cash in each such fund or account to make any payments therefrom required by the provisions hereof. Subject to the provisions of Section 25 hereof, any Eligible Investments acquired by the Paying Agent pursuant to the provisions of this section shall be deemed at all times to constitute part of the fund or account from which the moneys were withdrawn to acquire such investments, and all income earned, profits realized and losses suffered by reason of the acquisition or disposition of such investments shall be credited or charged, as the case may be, to the particular fund or account to which such investment belongs except that earnings on investments in the Warrant Fund shall be deposited in the Special Pledged Taxes Account. In any determination of the amount of moneys at any time held in any trust fund or account created hereunder, all investments at any time forming a part thereof shall be valued at their then market value.

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

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

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

(a) all interest, income or profit realized from any such commingled investment shall be credited, and all losses resulting therefrom shall be charged, to each such fund or account in the same respective proportions as the amount invested from each such fund or account bears to the total amount so invested; and

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

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

If the Paying Agent shall resign, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor shall be appointed by the City. Every successor Paying Agent appointed pursuant to this section, unless it is the City acting through its officer or employee, shall be a trust company or bank authorized to administer trusts and having, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$100,000,000, if there be such an institution willing, qualified and able to accept appointment as Paying Agent on reasonable and customary terms. The City shall provide Developer and any Holder reasonable written notice of any such events and reasonable documentation specifying the successor Paying Agent and shall, at City's sole costs and expense, pay all fees and changes 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 (½) 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 (½) of escrow fees. Each Party shall bear its own legal and due-diligence expenses.

4. TEMPORARY OCCUPANCY OF SEARCH & RESCUE BUILDING

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

4.2 Terms of Use.

- (a) The City will maintain the building in substantially the same condition as existed on the Closing Date, reasonable wear and tear excepted.
- (b) The City shall keep the structure insured under its blanket property and general liability policies, naming Purchaser as an additional insured during the Occupancy Period.
- (c) Purchaser shall not unreasonably interfere with the City's use during the Occupancy Period but may enter upon reasonable notice to inspect or perform due diligence related to future demolition or construction.

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

5. PARK LOT IMPROVEMENTS

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

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

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

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

5.5 Access, Indemnity, and Insurance.

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

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

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

6. CITY PAVER PARKING AND SIDEWALK CONSTRUCTION

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

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

7. MAINTENANCE RESPONSIBILITIES

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

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

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

8. ASSIGNMENT AND FUTURE RESIDENTIAL DEVELOPMENT

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

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

9. REPRESENTATIONS AND WARRANTIES

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

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

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

10. DEFAULT AND REMEDIES

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

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

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

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

11. NOTICES

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

As to the City:

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

With a Copy to:

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

As to Purchaser:

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

12. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

[Signatures on Following Pages]

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

CITY OF DAPHNE, ALABAMA

By: _____
Name: Robin LeJeune
Title: Mayor

ATTEST:

Candace G. Antinarella, MMC, City Clerk

SISTERS (BALDWIN), L.L.C.

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

EXHIBIT “A”

[Insert Legal Description of property]

**CITY OF DAPHNE, ALABAMA
ORDINANCE 2026-01**

**Zoning District Map
Revision to the City of Daphne Land Use and Development Ordinance**

WHEREAS, the Planning Commission of the City of Daphne, Alabama at their regular meeting held on October 23, 2025, favorably recommended to the City Council of the City of Daphne certain amendments to the Daphne Land Use and Development Ordinance / Zoning District Map approved and adopted by Ordinance No. 2011-54, referenced in Appendix H “Exhibit A” thereof, and amended by Ordinance No. 2016-69, Ordinance No. 2017-49, Ordinance No. 2018-02, Ordinance 2018-27, Ordinance 2019-19, Ordinance 2020-12, Ordinance 2020-28, Ordinance 2022-20, Ordinance 2022-51, Ordinance 2023-44, Ordinance 2024-18, Ordinance 2024-42, Ordinance 2025-12; and

WHEREAS, said amendments are necessary due to various rezoning and annexation requests which have been approved since the adoption of Ordinance No. 2025-12; and

WHEREAS, due notice of said proposed zoning map amendments has been provided to the public as required by law through publication and open display at the City of Daphne Public Library and City Hall; and

WHEREAS, a public hearing regarding the proposed Zoning District Map amendments was held by the City Council on January 5, 2026; and

WHEREAS, the City Council of the City of Daphne after due consideration and upon recommendation of the Planning Commission believe it in the best interest of the health, safety and welfare of the citizens of the City of Daphne to amend said Zoning District Map as recommended; and

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

SECTION I: ZONING DISTRICT MAP

The Zoning District Map referenced hereto as Exhibit “A” shall be the official zoning map of the City of Daphne, Alabama and shall be further designated in Appendix H of the City of Daphne Land Use and Development Ordinance, as set forth in Ordinance No. 2011-54 and its amendments.

SECTION II: REPEALER

Ordinance No. 2011-54, Appendix H “Exhibit A”, Ordinance No. 2016-69, Ordinance No. 2017-49, Ordinance No. 2018-02, Ordinance 2018-27, Ordinance 2019-19, Ordinance 2020-12, Ordinance 2020-28, Ordinance 2022-20, Ordinance 2022-51, Ordinance 2023-44, Ordinance 2024-18, Ordinance 2024-18 and Ordinance 2025-12 are hereby repealed, and any Ordinance(s), parts of Ordinance(s) or Resolution(s) conflicting with the provisions of this Ordinance are hereby repealed insofar as they conflict.

SECTION III: EFFECTIVE DATE

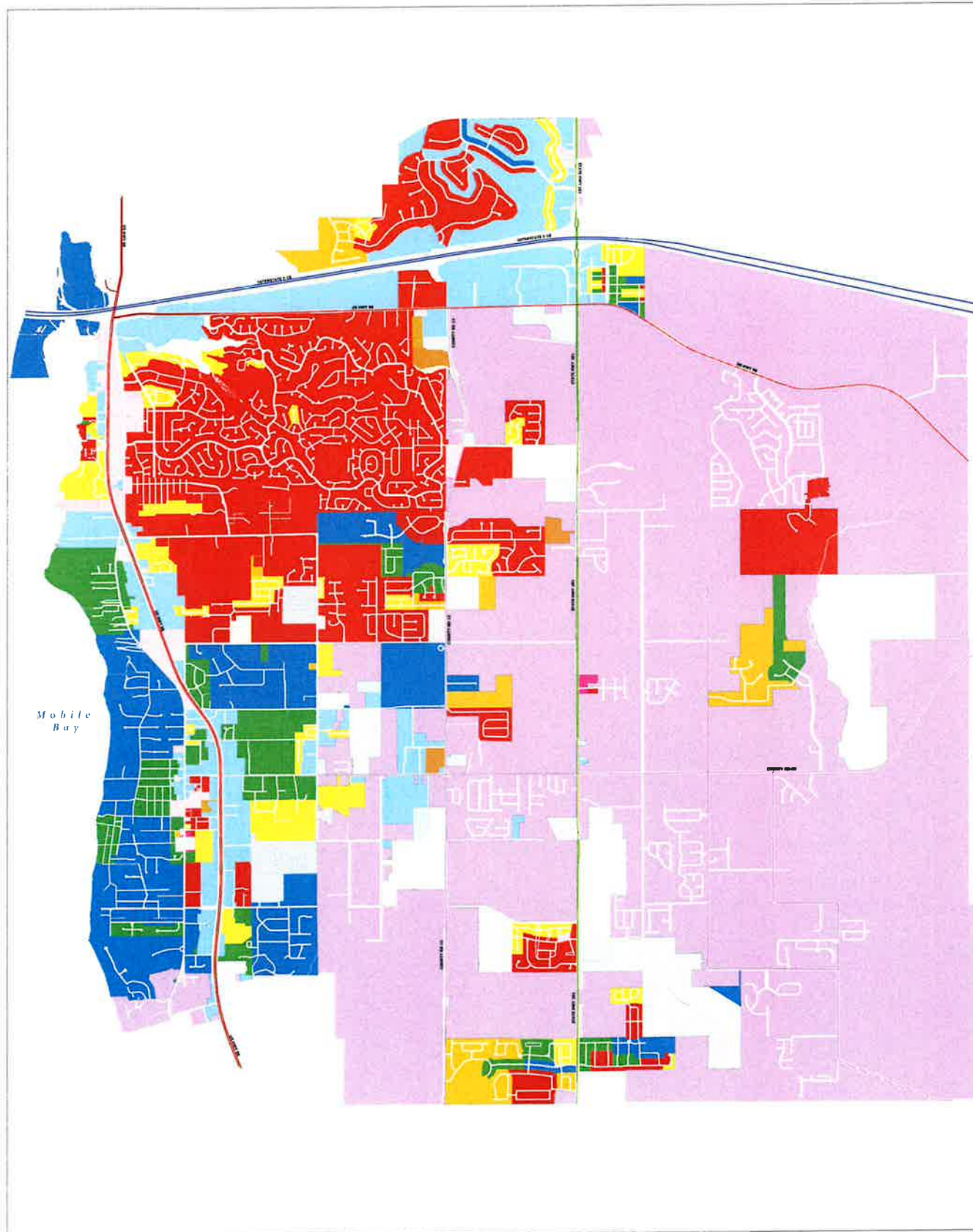
This Ordinance shall take effect and be in force from and after the date of its approval by the City of Daphne City Council and publication as required by law.

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

Robin LeJeune, Mayor

ATTEST:

Jessica Linne, Interim City Clerk



Please write a clearly defined function and do not consider a single (small) case.

The only public within the district encompassed by the Co. of Duane is located over a diverse range of land, public and private, which are generally considered to be related. However, the Co. of Duane does not provide guarantees to the accuracy, completeness, or comprehensiveness of the information. The City is making decisions as to what is required in order to maintain the public's confidence in the information it is providing. The City is making decisions as to what is required in order to maintain the public's confidence in the information it is providing.

Further, the City of Eugene, its representatives, agents, or employees shall not be liable, regardless of the violation of the data and record retention provisions for its maintenance of any records or form for any inquiries related to any of any document, record, report, and claims to the City of Eugene, University Development Department at 731.625.2525.

Summary of 15 B. N. 11

- **1.1** **1.1.1** **1.1.2** **1.1.3** **1.1.4** **1.1.5** **1.1.6** **1.1.7** **1.1.8** **1.1.9** **1.1.10** **1.1.11** **1.1.12** **1.1.13** **1.1.14** **1.1.15** **1.1.16** **1.1.17** **1.1.18** **1.1.19** **1.1.20** **1.1.21** **1.1.22** **1.1.23** **1.1.24** **1.1.25** **1.1.26** **1.1.27** **1.1.28** **1.1.29** **1.1.30** **1.1.31** **1.1.32** **1.1.33** **1.1.34** **1.1.35** **1.1.36** **1.1.37** **1.1.38** **1.1.39** **1.1.40** **1.1.41** **1.1.42** **1.1.43** **1.1.44** **1.1.45** **1.1.46** **1.1.47** **1.1.48** **1.1.49** **1.1.50** **1.1.51** **1.1.52** **1.1.53** **1.1.54** **1.1.55** **1.1.56** **1.1.57** **1.1.58** **1.1.59** **1.1.60** **1.1.61** **1.1.62** **1.1.63** **1.1.64** **1.1.65** **1.1.66** **1.1.67** **1.1.68** **1.1.69** **1.1.70** **1.1.71** **1.1.72** **1.1.73** **1.1.74** **1.1.75** **1.1.76** **1.1.77** **1.1.78** **1.1.79** **1.1.80** **1.1.81** **1.1.82** **1.1.83** **1.1.84** **1.1.85** **1.1.86** **1.1.87** **1.1.88** **1.1.89** **1.1.90** **1.1.91** **1.1.92** **1.1.93** **1.1.94** **1.1.95** **1.1.96** **1.1.97** **1.1.98** **1.1.99** **1.1.100** **1.1.101** **1.1.102** **1.1.103** **1.1.104** **1.1.105** **1.1.106** **1.1.107** **1.1.108** **1.1.109** **1.1.110** **1.1.111** **1.1.112** **1.1.113** **1.1.114** **1.1.115** **1.1.116** **1.1.117** **1.1.118** **1.1.119** **1.1.120** **1.1.121** **1.1.122** **1.1.123** **1.1.124** **1.1.125** **1.1.126** **1.1.127** **1.1.128** **1.1.129** **1.1.130** **1.1.131** **1.1.132** **1.1.133** **1.1.134** **1.1.135** **1.1.136** **1.1.137** **1.1.138** **1.1.139** **1.1.140** **1.1.141** **1.1.142** **1.1.143** **1.1.144** **1.1.145** **1.1.146** **1.1.147** **1.1.148** **1.1.149** **1.1.150** **1.1.151** **1.1.152** **1.1.153** **1.1.154** **1.1.155** **1.1.156** **1.1.157** **1.1.158** **1.1.159** **1.1.160** **1.1.161** **1.1.162** **1.1.163** **1.1.164** **1.1.165** **1.1.166** **1.1.167** **1.1.168** **1.1.169** **1.1.170** **1.1.171** **1.1.172** **1.1.173** **1.1.174** **1.1.175** **1.1.176** **1.1.177** **1.1.178** **1.1.179** **1.1.180** **1.1.181** **1.1.182** **1.1.183** **1.1.184** **1.1.185** **1.1.186** **1.1.187** **1.1.188** **1.1.189** **1.1.190** **1.1.191** **1.1.192** **1.1.193** **1.1.194** **1.1.195** **1.1.196** **1.1.197** **1.1.198** **1.1.199** **1.1.200** **1.1.201** **1.1.202** **1.1.203** **1.1.204** **1.1.205** **1.1.206** **1.1.207** **1.1.208** **1.1.209** **1.1.210** **1.1.211** **1.1.212** **1.1.213** **1.1.214** **1.1.215** **1.1.216** **1.1.217** **1.1.218** **1.1.219** **1.1.220** **1.1.221** **1.1.222** **1.1.223** **1.1.224** **1.1.225** **1.1.226** **1.1.227** **1.1.228** **1.1.229** **1.1.230** **1.1.231** **1.1.232** **1.1.233** **1.1.234** **1.1.235** **1.1.236** **1.1.237** **1.1.238** **1.1.239** **1.1.240** **1.1.241** **1.1.242** **1.1.243** **1.1.244** **1.1.245** **1.1.246** **1.1.247** **1.1.248** **1.1.249** **1.1.250** **1.1.251** **1.1.252** **1.1.253** **1.1.254** **1.1.255** **1.1.256** **1.1.257** **1.1.258** **1.1.259** **1.1.260** **1.1.261** **1.1.262** **1.1.263** **1.1.264** **1.1.265** **1.1.266** **1.1.267** **1.1.268** **1.1.269** **1.1.270** **1.1.271** **1.1.272** **1.1.273** **1.1.274** **1.1.275** **1.1.276** **1.1.277** **1.1.278** **1.1.279** **1.1.280** **1.1.281** **1.1.282** **1.1.283** **1.1.284** **1.1.285** **1.1.286** **1.1.287** **1.1.288** **1.1.289** **1.1.290** **1.1.291** **1.1.292** **1.1.293** **1.1.294** **1.1.295** **1.1.296** **1.1.297** **1.1.298** **1.1.299** **1.1.300** **1.1.301** **1.1.302** **1.1.303** **1.1.304** **1.1.305** **1.1.306** **1.1.307** **1.1.308** **1.1.309** **1.1.310** **1.1.311** **1.1.312** **1.1.313** **1.1.314** **1.1.315** **1.1.316** **1.1.317** **1.1.318** **1.1.319** **1.1.320** **1.1.321** **1.1.322**

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CITY OF DAPHNE, ALABAMA
ORDINANCE 2026-02
(Amending Ordinance 2024-19)

**AN ORDINANCE TO AMEND THE TEXT OF THE ROWAN OAK PUD NARRATIVE FOR
PROPERTY LOCATED SOUTHWEST OF COUNTY ROAD 13 AND MILTON JONES ROAD**

WHEREAS, the real property pre-zoned and described in Ordinance 2024-19 has been annexed into the corporate limits of the City of Daphne and assigned a zoning designation of Planned Unit Development (“PUD”) upon annexation; and

WHEREAS, said real property is located Southwest of the intersection of County Road 13 and Milton Jones Road, being more particularly described as follows:

Legal Description for the Property:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 5 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA AND RUN THENCE NORTH 00 DEGREES 19 MINUTES 24 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 21, A DISTANCE OF 667.52 FEET; THENCE RUN NORTH 89 DEGREES 23 MINUTES 03 SECONDS WEST, A DISTANCE OF 40.00 FEET TO A 1/2" CAPPED REBAR SET (CA-1167-LS) ON THE WEST RIGHT-OF-WAY OF COUNTY ROAD NUMBER 13 FOR THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT-OF-WAY, CONTINUE NORTH 89 DEGREES 23 MINUTES 03 SECONDS WEST, A DISTANCE OF 1280.51 FEET TO A 1/2" CAPPED REBAR FOUND (MOORE); THENCE RUN NORTH 89 DEGREES 27 MINUTES 54 SECONDS WEST, A DISTANCE OF 667.54 FEET TO A 1/2" CAPPED REBAR FOUND (CA-0604-LS); THENCE RUN SOUTH 00 DEGREES 09 MINUTES 34 SECONDS EAST, A DISTANCE OF 661.03 FEET TO A 3/4" OPEN TOP PIPE FOUND; THENCE RUN NORTH 89 DEGREES 13 MINUTES 25 SECONDS WEST, A DISTANCE OF 247.59 FEET TO A 1/2" REBAR FOUND; THENCE RUN NORTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, A DISTANCE OF 40.00 FEET TO A 1/2" CAPPED REBAR SET (CA-1167-LS) ON THE NORTH RIGHT-OF-WAY OF GLOVER LANE; THENCE RUN NORTH 89 DEGREES 13 MINUTES 25 SECONDS WEST, ALONG THE NORTH RIGHT-OF-WAY OF SAID GLOVER LANE, A DISTANCE OF 375.33 FEET TO A 1/2" CAPPED REBAR SET (CA-1167-LS) ON THE EAST RIGHT-OF-WAY OF FRIENDSHIP ROAD; THENCE RUN NORTH 00 DEGREES 14 MINUTES 02 SECONDS EAST, ALONG THE EAST RIGHT-OF-WAY OF SAID FRIENDSHIP ROAD, A DISTANCE OF 1003.65 FEET TO A 1/2" CAPPED REBAR FOUND (MOORE); THENCE DEPARTING SAID RIGHT-OF-WAY, RUN SOUTH 89 DEGREES 33 MINUTES 10 SECONDS EAST, A DISTANCE OF 253.20 FEET TO A 1/2" CAPPED REBAR FOUND (MOORE); THENCE RUN NORTH 00 DEGREES 10 MINUTES 23 SECONDS EAST, A DISTANCE OF 294.79 FEET TO A 1/2" CAPPED REBAR FOUND (MOORE) ON THE SOUTH LINE OF BUSINESS CENTER OF FRIENDSHIP ROAD SUBDIVISION, AS SHOWN BY MAP OR PLAT THEREOF, RECORDED AT SLIDE 2090-C AND SLIDE 2090-D, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA; THENCE RUN SOUTH 89 DEGREES 38 MINUTES 14 SECONDS EAST, A DISTANCE OF 147.62 FEET TO A 1/2" CAPPED REBAR FOUND (CA-0604-LS); THENCE RUN NORTH 00 DEGREES 07 MINUTES 58 SECONDS EAST, ALONG THE EAST LINE OF SAID SUBDIVISION, A DISTANCE OF 281.34 FEET TO A 1/2" CAPPED REBAR SET (CA-1167-LS) AT THE SOUTHEAST CORNER OF LOT 7 OF SAID SUBDIVISION; THENCE RUN NORTH 89 DEGREES 51 MINUTES 43 SECONDS WEST, ALONG THE SOUTH OF SAID LOT 7, A DISTANCE OF 400.21 FEET TO A 1/2" CAPPED REBAR FOUND (CA-0604-LS) AT THE SOUTHWEST CORNER OF SAID LOT 7 AND THE EAST RIGHT-OF-WAY OF THE AFOREMENTIONED FRIENDSHIP ROAD; THENCE RUN NORTH 00 DEGREES 07 MINUTES 50 SECONDS EAST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 279.50 FEET TO A 1/2" CAPPED REBAR FOUND (CA-0604-LS) AT THE NORTHWEST CORNER OF LOT 6 OF SAID SUBDIVISION; THENCE DEPARTING SAID RIGHT-OF-WAY, RUN SOUTH 89 DEGREES 51 MINUTES 35 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 6, A DISTANCE OF 400.14 FEET TO A 1/2" CAPPED REBAR FOUND (CA-1167-LS) AT THE NORTHEAST CORNER OF SAID LOT 6; THENCE RUN NORTH 00 DEGREES 06 MINUTES 55 SECONDS EAST, ALONG SAID SUBDIVISION, A DISTANCE OF 750.83 FEET TO A 1/2" CAPPED REBAR FOUND (CA-0604-LS) ON THE SOUTH LINE OF A RESUBDIVISION OF LOTS 2 & 3 OF FRIENDSHIP PARK

SUBDIVISION, AS SHOWN BY MAP OR PLAT THEREOF, RECORDED AT SLIDE 2422-C, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA; THENCE RUN SOUTH 89 DEGREES 25 MINUTES 42 SECONDS EAST, ALONG THE SOUTH LINE OF SAID RESUBDIVISION OF LOTS 2 & 3 OF FRIENDSHIP PARK SUBDIVISION, A DISTANCE OF 635.09 FEET TO A 1/2" CAPPED REBAR FOUND (LS #10675) AT THE SOUTHWEST CORNER OF LOT 4 OF TRIONE TRACE SUBDIVISION, AS SHOWN BY MAP OR PLAT THEREOF, RECORDED AT SLIDE 1594-A, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA; THENCE RUN SOUTH 89 DEGREES 21 MINUTES 56 SECONDS EAST, ALONG THE SOUTH LINE OF LOT 4 OF SAID TRIONE TRACE SUBDIVISION AND A PROJECTION THEREOF, A DISTANCE OF 911.38 FEET TO A 5/8" CAPPED REBAR FOUND (CA-0568-LS); THENCE RUN NORTH 00 DEGREES 15 MINUTES 57 EAST, A DISTANCE OF 1328.23 FEET TO 1/2" CAPPED REBAR FOUND (ILLEGIBLE) AT THE SOUTHWEST CORNER OF LOT 4 OF BONI SUBDIVISION, AS SHOWN BY MAP OR PLAT THEREOF RECORDED AT SLIDE 2055-E, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA; THENCE RUN SOUTH 89 DEGREES 30 MINUTES 22 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 621.85 FEET TO A 1/2" REBAR FOUND ON THE AFOREMENTIONED WEST RIGHT-OF-WAY OF SAID COUNTY ROAD NUMBER 13; THENCE RUN SOUTH 00 DEGREES 08 MINUTES 04 SECONDS WEST, ALONG SAID WEST RIGHT-OF-WAY, A DISTANCE OF 1319.16 FEET TO A 1/2" CAPPED REBAR SET (CA-1167-LS); THENCE RUN SOUTH 00 DEGREES 19 MINUTES 24 SECONDS WEST, ALONG SAID WEST RIGHT-OF-WAY, A DISTANCE OF 2001.88 FEET TO THE POINT OF BEGINNING. TRACT CONTAINS 134.31 ACRES, MORE OR LESS.

WHEREAS, the PUD pre-zoning approval adopted through Ordinance 2024-19 included a PUD Narrative and Conceptual Plan governing development standards for the Property; and

WHEREAS, the owner has submitted an Amended PUD Narrative for review and approval, reflecting certain modifications to the previously approved PUD Narrative; and

WHEREAS, at its regular meeting of October 23, 2025, the Planning Commission considered the proposed amendments and issued a favorable recommendation to the City Council subject to the following regarding the multi-family units: the maximum units are to be 264; maximum building coverage for multi-family is 35%; and all multi-family units are to be located in Phase 6; and

WHEREAS, due notice of said proposed rezoning has been provided to the public as required by law through publication and open display at City Hall, and a public hearing was held before the City Council on January 5, 2026; and

WHEREAS, the City Council finds that the amendments to the PUD Narrative are appropriate, remain consistent with the intent and purpose of the PUD zoning district, and promote the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, AS FOLLOWS:

SECTION I. AMENDMENT TO EXISTING PUD. The PUD Narrative approved by Ordinance 2024-19 is hereby amended to replace the previously adopted PUD Narrative with the Amended PUD Narrative, which is attached hereto as **Exhibit A** and incorporated herein by reference.

This exhibit shall constitute the governing development narrative for the PUD and shall supersede in full the prior PUD Narrative approved as part of Ordinance 2024-19.

All development of the subject property shall comply with the Amended PUD Narrative adopted herein and shall be further subject to the following conditions regarding the multi-family units: the maximum units are to be 264; maximum building coverage for multi-family is 35%; and all multi-family units are to be located in Phase 6.

SECTION II. REPEALER. All ordinances, resolutions, or parts thereof in conflict with this Ordinance, to the extent of such conflict, are hereby repealed.

SECTION III. SEVERABILITY. The provisions of this Ordinance are severable. If any section, clause, or provision is declared invalid or unconstitutional, such ruling shall not affect the remaining portions, which shall remain in full force and effect.

SECTION IV. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its adoption and publication as required by law.

ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _____ day of _____, 2026.

Robin LeJeune, Mayor

ATTEST:

Jessica Linne, Interim City Clerk

EXHIBIT A
Amended PUD Narrative

(attached)



PUD Statement and Narrative



A Planned Unit Development

Developer:

68Venturës

707 Bellrose Avenue
Daphne, AL 36526
251-625-1198

Engineer/ Surveyor:



9969 Windmill Road
Fairhope, AL 36532
251-990-6566

Landscape Architects:



WAS Design
218 N. Alston Street
Foley, AL 36535
251-948-7181

Traffic Engineer:



Neel Schaffer, Inc.
851 East I-65 Service Road
Suite 1000
Mobile, AL 36606
251-471-2000

Project Summary

Rowan Oak is a 134.31 acre, Mixed Use Planned Unit Development located between County Road 13 and Friendship Road at the Milton Jones Road intersection. The development includes Single Family Residential lots of various sizes, Townhomes, Multi-Family, and Commercial properties.

Intent

By combining the various land uses proposed in Rowan Oak, the developer hopes to promote a more efficient use of land relative to the location of public streets and natural features. The developer is partnering with the City of Daphne to provide a much-needed east-west connection from Friendship Road to County Road 13 by the extension of Milton Jones Road, with a Roundabout at the intersection of Milton Jones Road and County Road 13. The development goal is to provide diverse housing opportunities for citizens of differing economic levels, preferences, and/or stages of life.

Public / Private Benefits

The development of Rowan Oak provides several Public benefits to the Daphne Community including:

- 1) At the behest of the City of Daphne, donation by the Developer of land for an 80-foot public Right-of-Way (50 feet wide by others where necessary) to City of Daphne for the extension of Milton Jones Road from County Road 13 to Friendship Road¹, a value of \$214,200².
- 2) At the behest of the City of Daphne, donation by the Developer of sufficient Right-of-Way to City of Daphne to enable the installation of a Roundabout at the intersection of Milton Jones Road and County Road 13.
- 3) At the behest of the City of Daphne, Developer to coordinate and provide capital for surveying and engineering services for the Milton Jones Road extension, a value of \$144,500³.
- 4) Developer to provide Design and Construction of Improvements at the Intersection of Friendship Road and County Road 64. A value of \$300,000. See Exhibit 1 herein.
- 5) Donation by the Developer of a 1.8-acre parcel to City of Daphne for a public park, a value of \$95,000.⁴
- 6) Construction by the Developer of two pickleball courts within the future public park, a value of approximately \$140,000.⁵
- 7) Annexation of 11.61 acres of Commercial Property for a potential tax revenue of approximately \$535,821.71 annually.⁶

Total direct Public Benefit Value as a result of Developer's actions = \$893,700.

There are various Private benefits that will be realized as a result of this development, including:

¹ The Developer acknowledges that the City of Daphne is in no way obligated to construct or cause to be constructed any of the Milton Jones road extension and intersection improvements referenced herein, and that the construction by the City of Daphne of such improvements is contingent upon the availability of sufficient funds as determined solely by the City of Daphne.

² Based on valuation of \$35k/ AC x 6.12 AC

³ Based on Developer-executed proposal for surveying and design services of Milton Jones Rd. Extension with Southeast Civil Engineering in the amount of \$144,500.

⁴ Based on valuation of \$47.5k/ AC x 2 AC

⁵ Based on estimated construction cost of \$70k per pickleball court x 2 Quantity.

⁶ Estimated figure calculated based on data published in City of Daphne's 2022 Annual Comprehensive Financial Report

- 1) Providing improved direct access to a Public Road for the privately owned Commercial lots in Friendship Park Subdivision via the new Milton Jones Road Extension.

Land Use Summary

Of the 134.31-acre Rowan Oak property, the majority will be utilized for Single Family Residential Lots. The proposed uses are outlined below:

72' Lots	27.4 AC
52' Lots	29.9 AC
42' Lots	25.5 AC
Townhomes	16.3 AC
Multifamily	17.5 AC
Commercial	11.61 Acres
ROW Donation for Milton Jones Extension and Roundabout	6.12 Acres

Streets, Drainage and Utilities

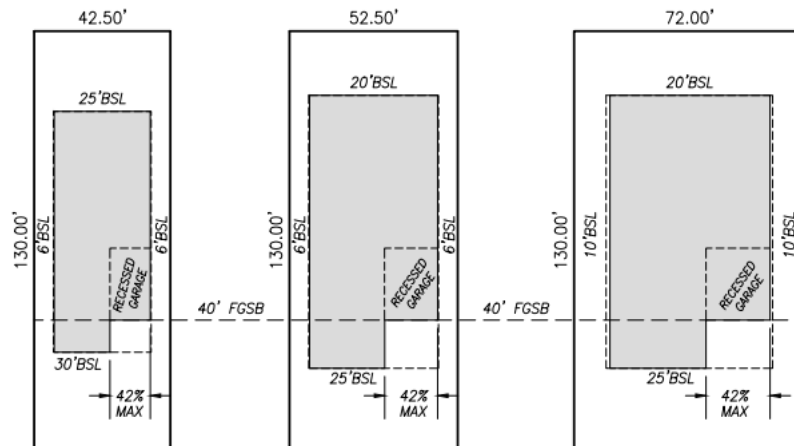
All streets and drainage will be designed to the current standards of the City of Daphne Land Use Ordinance. No deviations or variances will be requested. Traffic Calming is provided using Traffic Circles, Speed Tables, and Stop Signs. Utilities will be provided by Daphne Utilities (sewer), Belforest Water (water), Riviera Utilities (power), and AT&T (telephone).

Parking

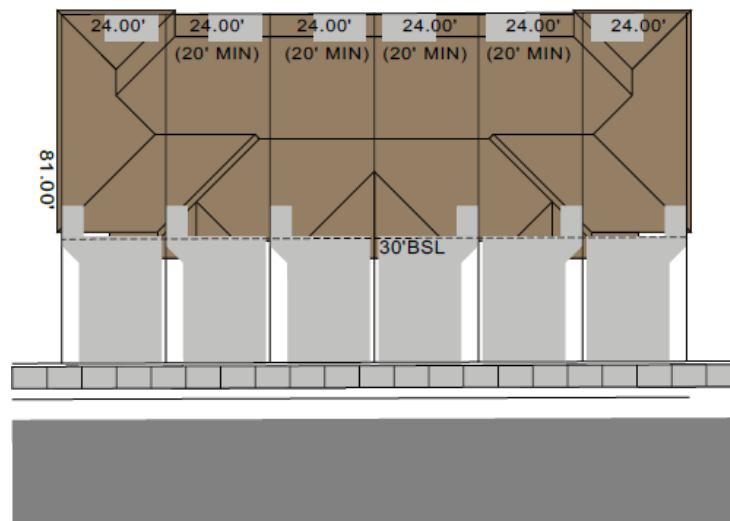
All Single-Family Residences will provide two spaces per house, with additional guest parking provided in strategic locations in the higher density neighborhood areas. Each Townhome unit will provide a garage plus two driveway spaces, with the addition of guest parking as required in the Land Use Development Ordinance. Multi-Family units will have two spaces per dwelling unit. Detailed plans have not been developed for the Commercial lots but any future Site Plans proposed will meet the current standards of the City of Daphne regarding parking.

Zoning Relaxations

In general, the various aspects of the Zoning Ordinance will be met in Rowan Oak in regards to Streets, Buffers, Parking and Open Space. However, the unique spatial characteristics of the various Lots proposed do not meet the specifics of the defined Zoning designations of the Land Use Ordinance. The Lots proposed and their related Building Setbacks are as follows:



Typical Single Family Lots



Typical Townhome Lots

Building Setbacks	
Front	30 Ft.
Rear	0 Ft.
Side	0 Ft.
Side Street	20 Ft.

Amenities

Various amenities are included in the Rowan Oak development plan within an overall 29.6 acres of open space. Open areas with trails, water features and a public park with two pickle ball courts are proposed in the Single-Family areas. A pool and cabana are proposed in the Townhome section next to two open play

areas and a water feature. The Multi-Family portion will include a clubhouse, pool, two pickle ball courts, and a water feature.

Architectural Themes

- I. Building materials including brick, stone, textured traditional cement stucco (i.e., real stucco) and cement siding are required as the primary veneer on new dwellings.
- II. Roofs must be varied in roofline treatments.
- III. The front facing garage (i.e., garage fronts) on single family homes shall be recessed and constitute not more than forty-two percent (42%) of the residential facade (as measured from the outside edge of garage doors, not including the frame).
- IV. Recessed garage doors oriented toward the front property line shall be as follows:
 - a. Garage doors must be positioned between five (5) feet and twenty (20) feet behind the front wall plane of the house. The front wall plane is defined as the principal building façade facing the primary street right of way.
 - b. The minimum front yard setback for said garage shall be forty (40) feet.
 - c. The minimum front yard setback for the principal structure may be reduced to twenty (20) feet.
 - d. The 42.5' foot lots will be subject to the 5' recessed garage requirement except for the Bluewater plan/elevations as submitted.
- V. The side-street facing garage setback shall be a minimum of twenty-two (22) feet from the sidewalk and recessed three (3) feet behind the side facade
- VI. Where the garage is located at the rear of the primary structure, the front yard setback shall be reduced to fifteen (15) feet, or ten (10) feet with an open air front porch.
- VII. Colored elevations shall illustrate that a minimum of three (3) different elevations are provided in each block face.
- VIII. Developments of thirty-five (35) dwelling units or more should offer a minimum of five (5) different elevations and ten percent (10%) of each respective elevation shall be provided in each block face.

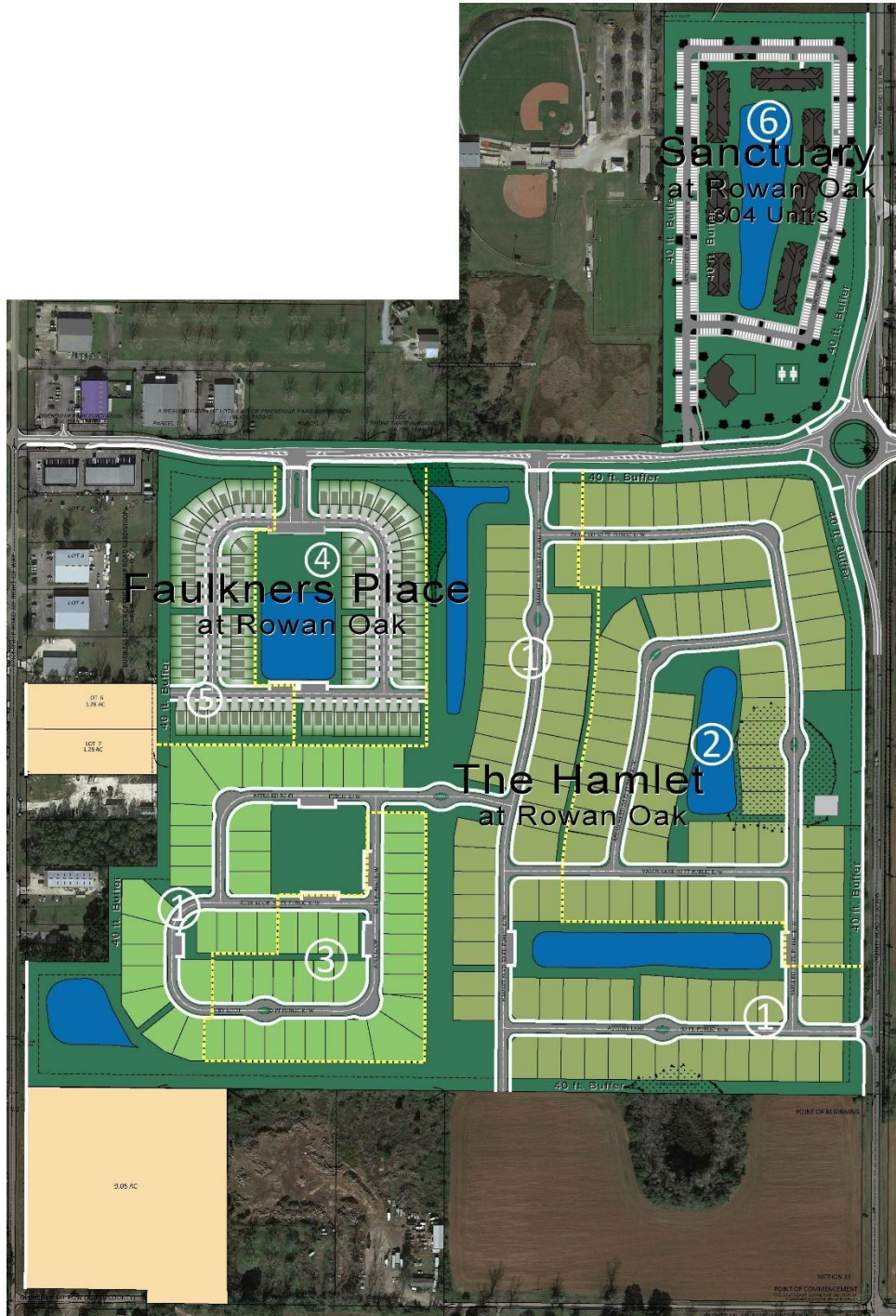
Additional Stipulations

- i. The use of vinyl siding shall be limited to fascia and soffits.
- ii. Minimum Building Setbacks for Single Family Detached Homes shall be as follows:
 - a. Front Setbacks for the 42.5' lots shall be 30 feet.
 - b. Rear Setbacks for the 42.5' lots shall be 25 feet.
 - c. Front Setbacks for the 52.5' lots shall be 25 feet.
 - d. Rear Setbacks for the 52.5' lots shall be 20 feet.
 - e. Front Setbacks for the 72' lots shall be 25 feet
 - f. Rear Setbacks for the 72' lots shall be 20 feet.
 - g. Side Setbacks for the 72 foot wide Lots shall be 10 feet.
 - h. Side Setbacks for the 42.5 foot wide and 52.5 foot wide Lots shall be 6 feet.
 - i. Side Street Setbacks for the 42.5 foot wide and 52.5 foot wide Lots shall be 15 feet.
 - j. Side Street Setbacks for the 72 foot wide Lots shall be 20 feet.
 - k. The 42.5' lots shall include a 2-car wide driveway (minimum width of 16 ft).

- iii. Minimum Building Setbacks for Townhomes shall be as follows:
 - a. Front Setbacks shall be 30 feet.
 - b. Side and Rear Setbacks shall be 0 (zero) feet
 - c. Side Street Setbacks shall be 20 feet.
 - d. Minimum Spacing between buildings shall be 24 feet with spacing between eaves being a minimum of 20 feet.
- iv. Developer responsibility for traffic improvements will be limited to the following, per the Traffic Impact Study conducted by Neel Schaffer:
 - a. The northbound approach of Friendship Road to County Road 64 will be widened to provide a dedicated left turn lane within the existing Right-of-Ways. In the event the proposed northbound left turn lane will require additional Right-of-Way may limit the ability of constructing the proposed turn lane improvements if additional Right-of-Way can't be acquired. See Exhibit 1, herein.
- v. Access points and unit density are limited to counts provided in the proposed plan.
- vi. Developer reserves the right to alter the proposed phasing plan and change the order of construction from the proposed plan at a later date.
- vii. Rowan Oak PUD will be subject to City of Daphne Land Use & Development Ordinance, with latest codifications dated 01/12/2024, including all subsequent Plats, Phases, and Building Permits.
- viii. Non jurisdictional grady ponds to be filled in as a part of development.
- ix. Commercial property to be site-planned at a later date, subject to City of Daphne Land Use & Development Ordinance. Traffic studies to be conducted at time of development and any improvements, as applicable, to be constructed at time of development.
- x. Commercial land uses shall be consistent with the B-2, General Business, district as provided in the City of Daphne Land Use & Development Ordinance with latest codifications dated through 01/12/24 except that the following uses shall not be permissible in the Rowan Oak PUD:
 - Adult entertainment or adult/sex retail sale facilities;
 - Jail facilities, housing of detainees or inmates, community correction facilities of any kind



EXHIBIT 1
Intersection Improvements by Developer
At Friendship Rd. and County Rd. 64



PUD Amendment

Proposed Amendment to PUD Statement and Narrative

The following outlines the proposed changes to the Rowan Oak Planned Unit Development (PUD) Narrative:

Reduction and Reallocation of Density

The Developer proposes reallocating density from the Townhome portion of the Approved PUD (Phases 4 & 5) and Single-Family portion (Phases 1 & 2) to the Multifamily portion of the PUD (Phase 6). The proposed change would reduce the Townhome and Single-Family lots and reduce the overall density of the PUD by 40 units (6.8%).

Reduction and Reallocation of Density		
	Approved Units	Proposed Units
Hamlet (SF)	249	192
Faulkner's Place (TH)	132	89
Sanctuary (MF)	204	264
Overall	585	545
Net Reduction		40

Revisions to Lot Types by Section

The Hamlet

- Proposing to remove the 42.5' & 52' lots.
- Proposed layout to be comprised of 62' and 72' lots.
- Proposed lot count is 192 lots, a reduction of 57 lots.
- Request to reduce the side setback from 10' to 6' on the 72' lots to accommodate Truland courtyard-garage style floorplans. Homes on the 72' lots will be required to have gutters.
- Recreational vehicles and campers shall not be parked or stored on any Lot. Boats and utility trailers, if desired to be kept on property, shall be parked fully enclosed within garages.

Faulkner's Place

- Proposing to move from attached to detached Townhome product.
- Proposing to increase lot size to 33'x 105'.
- Proposing to reduce unit count from 132 attached to 89 detached, a reduction of 43 units.
- Proposing new Elevations & Floorplans
- Setbacks and minimum spacing will be the following:
 - Front – 30'
 - Rear – 0'
 - Side – 10' / 0'
 - Side Street – 15'

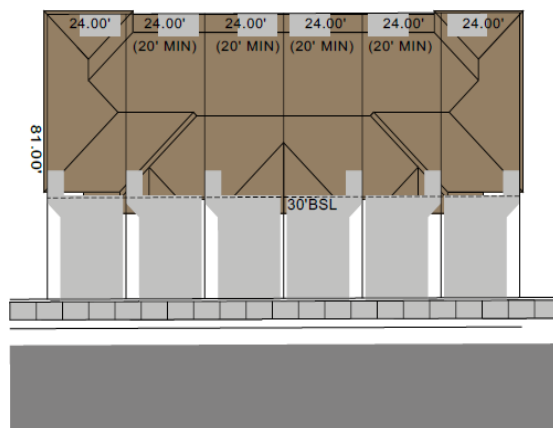
Proposed Conceptual Multifamily Site Plan



Multifamily units are to be 264 maximum, and all located in Phase 6. Maximum building coverage is 35%.

Townhome Lot Typicals

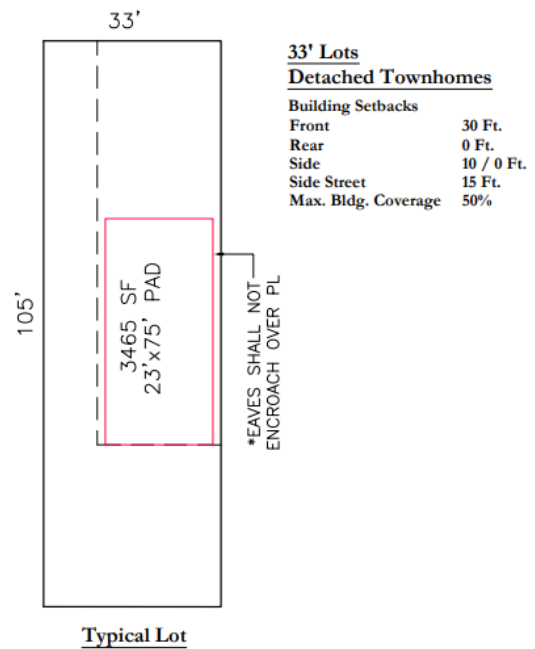
Approved Lot Typicals



Typical Townhome Lots

Building Setbacks	
Front	30 Ft.
Rear	0 Ft.
Side	0 Ft.
Side Street	20 Ft.

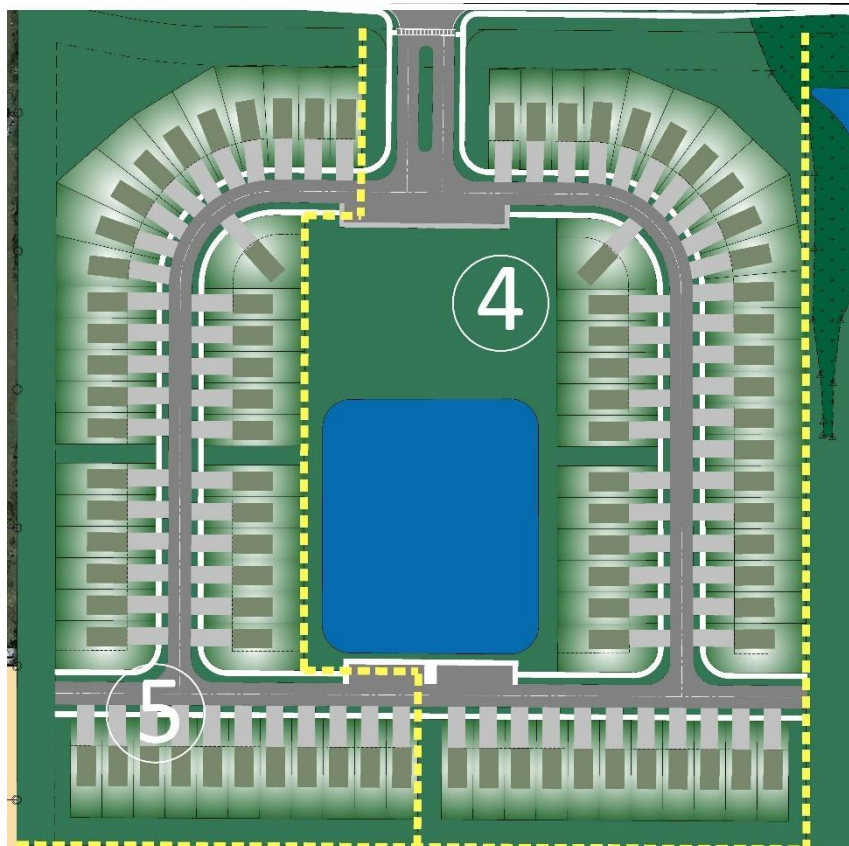
Proposed Lot Typical

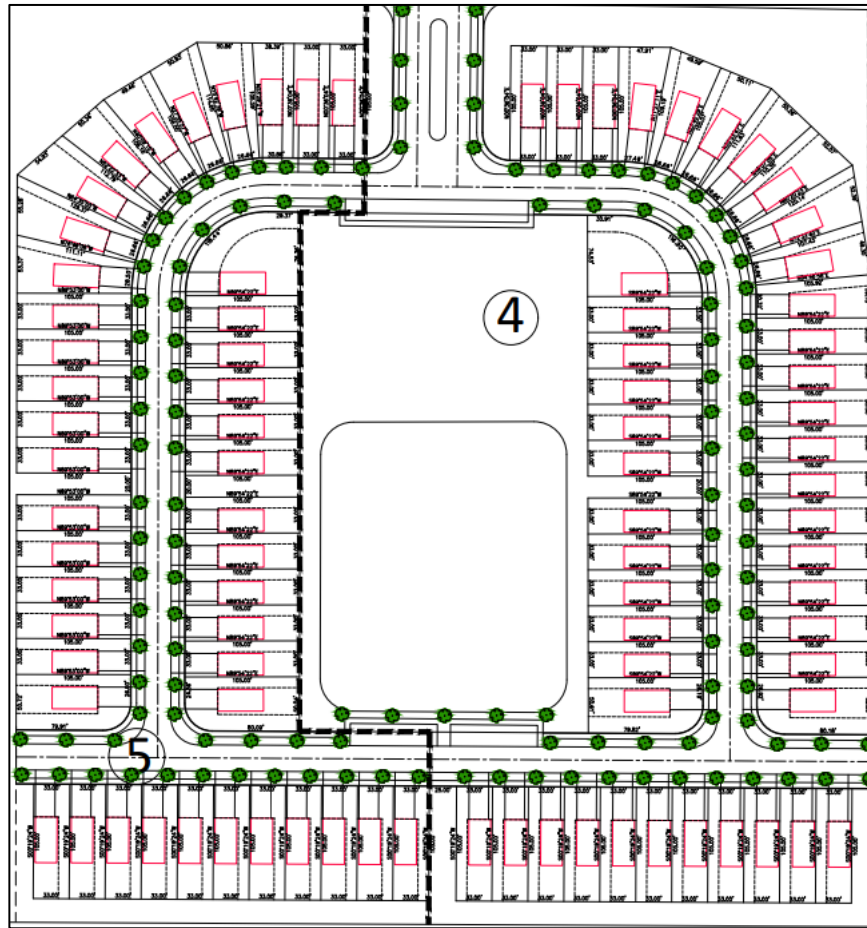


Approved Phase 4 & Phase 5 Layout



Proposed Phase 4 & Phase 5 Layout



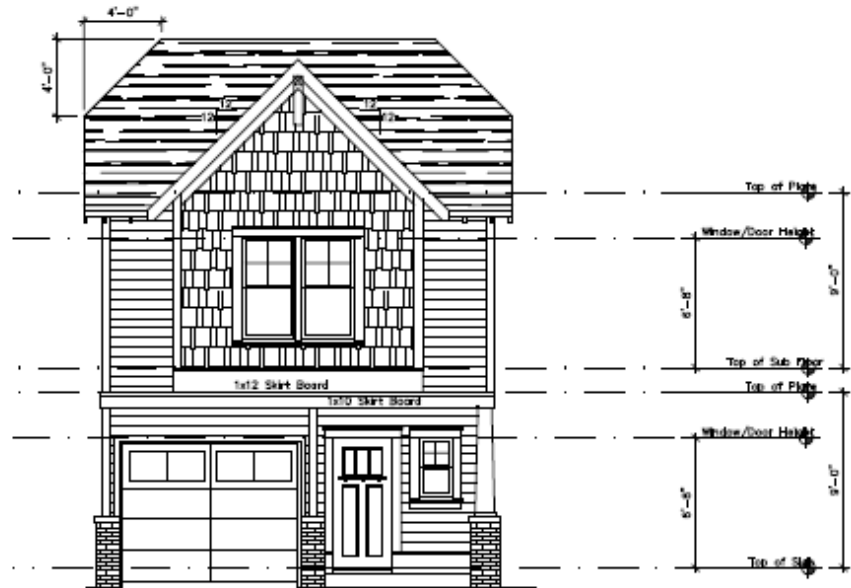


Elevations

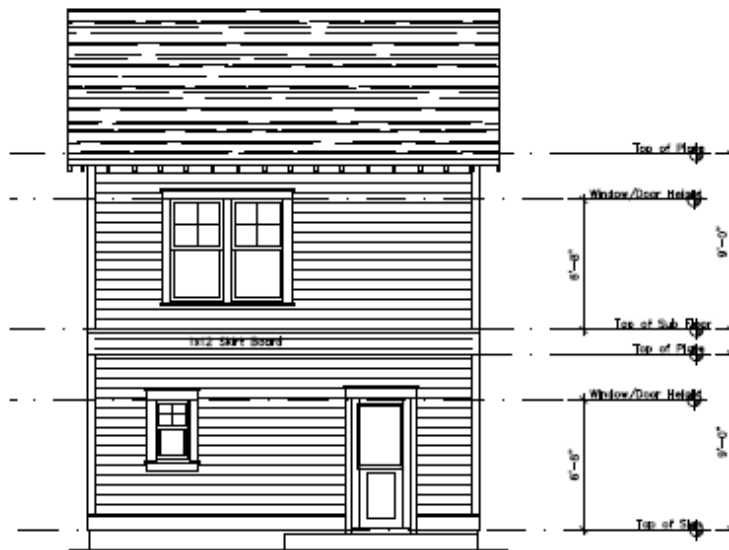




M A T E R I A L S L E G E N D	
①	Hardi Shake Siding
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles
⑤	Brick Veneer @ Front only

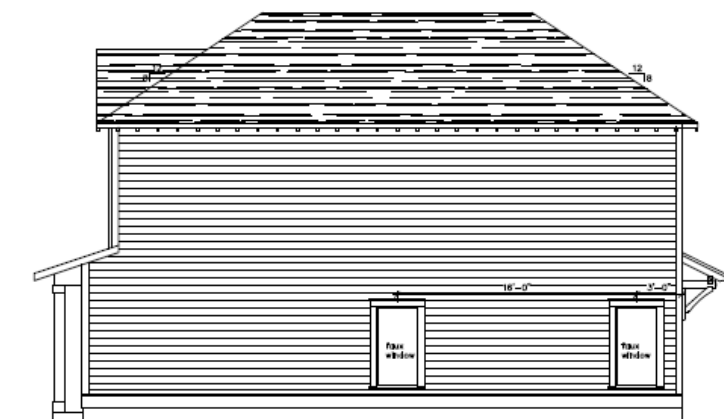


① Front Elevation
A3.1 1/4" = 1'-0"

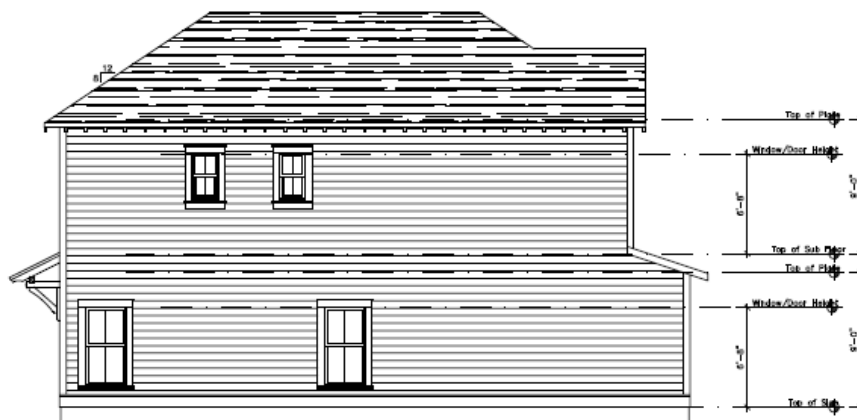


② Rear Elevation
A3.1 1/4" = 1'-0"

M A T E R I A L S L E G E N D	
①	Board & Batten @ 16" OC
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles

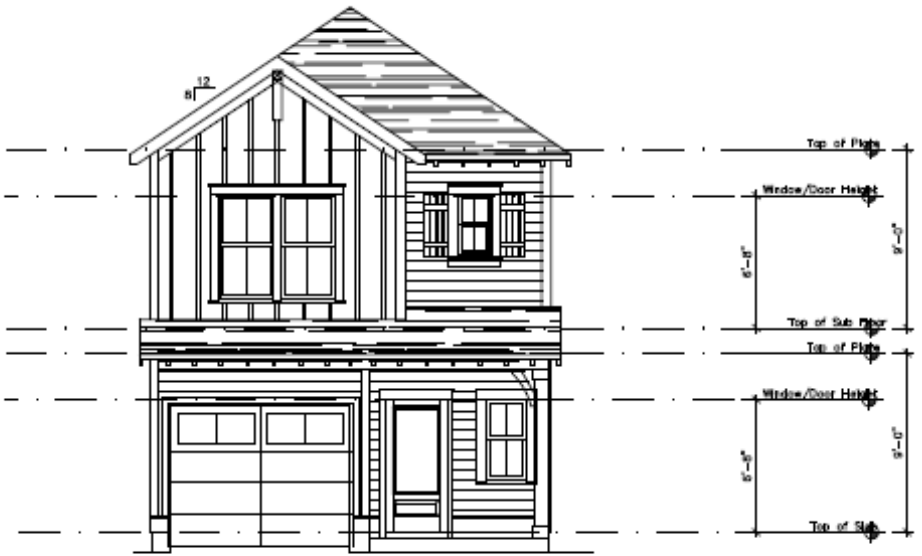


① Right Side Elevation
A3.2 1/4" = 1'-0"



② Left Side Elevation
A3.2 1/4" = 1'-0"

M A T E R I A L S L E G E N D	
①	Board & Batten @ 16" OC
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles

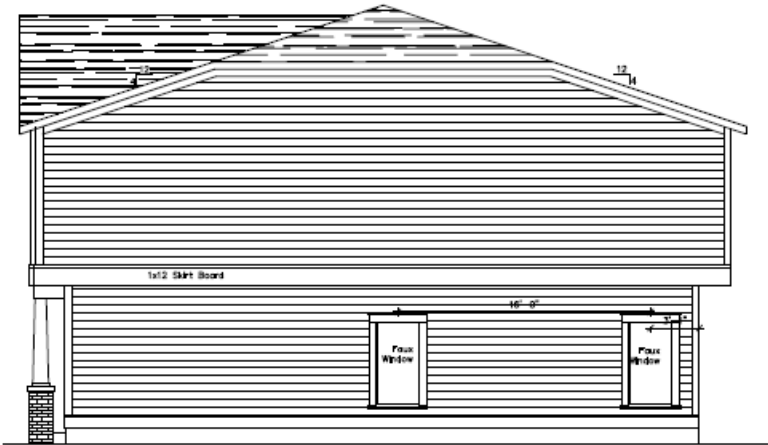


① Front Elevation
A3.1 1/4" = 1'-0"



② Rear Elevation
A3.1 1/4" = 1'-0"

M A T E R I A L S L E G E N D	
①	Hardi Shake Siding
②	1x6 Corner Board
③	Horizontal Lap Siding
④	Architectural Asphalt Shingles
⑤	Brick Veneer @ Front only

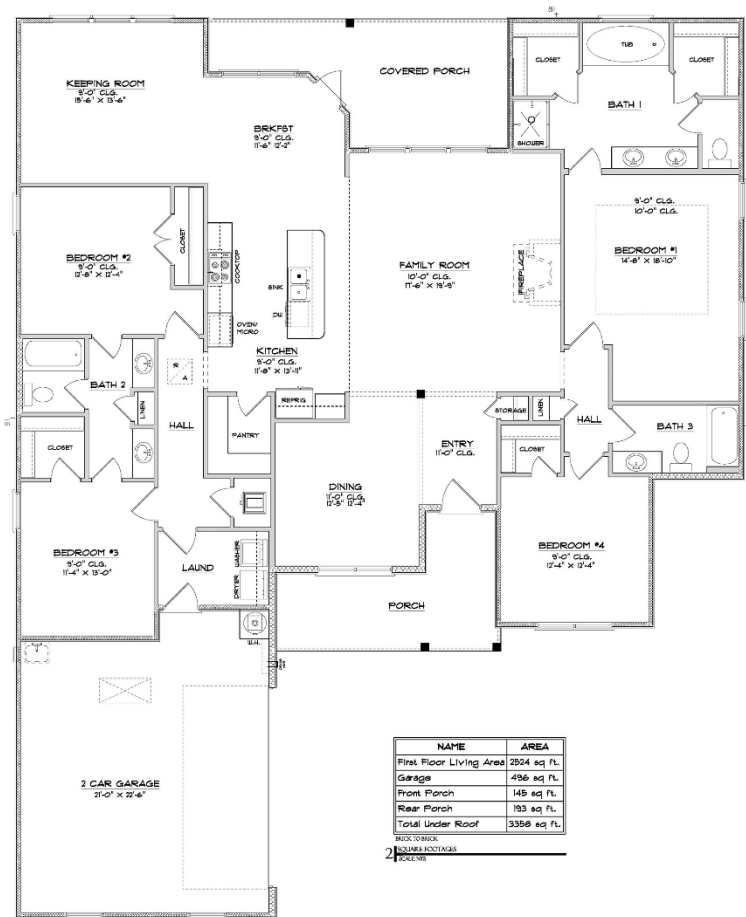


1 Right Side Elevation
A3.2 1/4" = 1'-0"



2 Left Side Elevation
A3.2 1/4" = 1'-0"









**CITY OF DAPHNE, ALABAMA
ORDINANCE 2026-03**

**AN ORDINANCE AMENDING THE CITY OF DAPHNE'S
GASOLINE EXCISE TAX ORDINANCE NO. 1990-20**

WHEREAS, the City of Daphne currently levies a municipal gasoline excise tax of one cent (\$0.01) per gallon pursuant to its authority under Alabama law; and

WHEREAS, the mileage of public streets, rights-of-way, and related transportation infrastructure within the corporate limits of the City has increased substantially in recent years due to continued residential and commercial development, as well as multiple annexations expanding the City's boundaries; and

WHEREAS, the cost of constructing, maintaining, resurfacing, and repairing public streets, sidewalks, drainage structures, and traffic-control devices has materially increased due to inflation in construction materials, equipment, and labor; and

WHEREAS, the City's long-range capital plans identify ongoing and anticipated needs for improved roadway capacity, pavement preservation, intersection upgrades, multimodal connectivity, and other transportation-related projects necessary to protect public safety and support continued economic growth; and

WHEREAS, increasing the municipal gasoline excise tax from one cent (\$0.01) per gallon to three cents (\$0.03) per gallon will provide additional dedicated revenue needed to meet these transportation infrastructure demands and to maintain safe and efficient public streets for the traveling public; and

WHEREAS, any additional local motor-fuel tax amount levied after August 1, 2023 is required by Alabama law to be used exclusively for roadway, bridge, and transportation-related purposes, and the City intends to allocate and expend the incremental revenue accordingly; and

WHEREAS, the City Council finds that the proposed rate adjustment is in the best interest of the City, is reasonably related to the increased costs of providing and maintaining public streets and related infrastructure, and is necessary to promote the health, safety, and welfare of the citizens of Daphne.

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

SECTION 1. AMENDMENT TO SECTION 13-31, LEVY OF TAX.

Section 13-31 of the City of Daphne Code of Ordinances, entitled "Levy of Tax," is hereby amended to read as follows:

There is hereby levied and imposed an excise tax of three cents (\$0.03) per gallon on persons, corporations, copartnerships, companies, agencies or associations engaged in the business of selling, distributing, storing or withdrawing from storage for any purpose whatever gasoline or other liquid motor fuels or devises or substitutes therefor within the corporate limits of the city. Every distributor, retail dealer, or storer of gasoline is required to pay an excise tax in such amount upon the selling, distributing, or withdrawing from storage for any use gasoline in the city. The excise tax levied hereby shall not and is not levied and shall not be collected upon the sales of gasoline in interstate commerce, provided that if the excise tax imposed hereby upon the sale, distribution, or withdrawal from storage of such shall have been paid by a distributor or a retail dealer or by a storer, such payment shall be sufficient, the intention being that the tax shall not be paid but once. The excise tax imposed under this article shall apply to dealers or distributors or other persons storing and distributing the same or allowing the same to be withdrawn from storage, whether such withdrawal is for sale or other use; provided that sellers of gasoline paying the tax herein provided may pay the same computed and paid on the basis of their sales as herein provided and storers and distributors shall compute and pay such tax on the basis of their withdrawals or distributions. The tax herein imposed shall be in addition to all excise or other taxes imposed on gasoline, or on the business of selling, distributing, storing or withdrawing from storage for any purpose gasoline by the state or any other agency or subdivision of the state or the United States.

SECTION 2. INCORPORATION IN THE CODE OF ORDINANCES.

The provisions of this ordinance shall be included in and incorporated in the Code of Ordinances of Daphne, Alabama, as an addition or amendment thereto, and shall be renumbered, if appropriate, to conform to the uniform numbering system of the Code.

SECTION 3. NO OTHER CHANGES.

The remaining provisions of Ordinance 1990-20, and those surviving provisions of Ordinance 1987-6 not previously amended, shall remain in full force and effect.

SECTION 4. SEVERABILITY.

The provisions, sections, paragraphs, sentences, clauses, phrases, and parts thereof of this ordinance are severable, and if any provision, section, paragraph, sentence, clause, phrase, or part thereof of this ordinance shall be declared unconstitutional or invalid by a court of competent jurisdiction, then such ruling shall not affect any other provision, section, paragraph, sentence, clause, phrase, or part thereof, since the same would have been enacted by the Council without the incorporation of any such unconstitutional or invalid provision, section, paragraph, sentence, clause, phrase, or part thereof.

SECTION 5. NOTICE TO ALABAMA DEPARTMENT OF REVENUE.

Pursuant to Ala. Code § 11-51-210(e), no later than January 31, 2026, the City Clerk shall cause a certified copy of this ordinance to be delivered to the Alabama Department of Revenue as required by law.

SECTION 6. EFFECTIVE DATE.

This ordinance shall become effective upon its adoption and publication as required by law. The tax imposed by this ordinance shall go into effect on April 1, 2026.

ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA on this the ____ day of _____, 2026.

Robin LeJeune, Mayor

ATTEST:

Jessica Linne, Interim City Clerk

**CITY OF DAPHNE, ALABAMA
ORDINANCE 2026-04**

**AMENDMENT TO ORDINANCE NO. 2004-11 (BUSINESS LICENSE ORDINANCE)
TO ENABLE LICENSURE OF MOBILE/ITINERANT BUSINESSES**

WHEREAS, the City of Daphne, after due consideration, believes that certain revisions to the City of Daphne’s Business License Ordinance are necessary to authorize mobile/itinerant business licenses, allow a residential/mailling address for notices, and preserve home-occupation limitations.

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

SECTION 1. DEFINITIONS

Section 13-252 of Chapter 13, Article XII of the Code of Ordinances of the City of Daphne, Alabama is hereby amended by adding the following definitions:

Mobile/Itinerant Business. A business that performs services, repairs, maintenance or other work at customer locations (within the City of Daphne) and does not maintain a fixed place of business open to the public within the city.

Business Location (for Mobile/Itinerant Business). For purposes of this Article, for a Mobile/Itinerant Business the “business location” used for licensing and administrative notice purposes may be the owner’s or operator’s residential mailing address. However, no customer traffic, inventory storage, or on-site operations shall occur at such residential address unless the business qualifies as a Home Occupation under Section 31-1 of the City of Daphne Land Use & Development Ordinance.

Home Occupation. A business conducted within a dwelling unit in compliance with Section 31-1 of the Land Use & Development Ordinance of the City of Daphne.

SECTION 2. LICENSE LOCATION REQUIREMENT

Section 13-254 of Chapter 13, Article XII of the Code of Ordinances of the City of Daphne, Alabama is hereby amended by appending the following new sentence immediately following the last sentence of subsection (a):

“For a Mobile/Itinerant Business, the requirement for a fixed place of business within the City shall not apply; notwithstanding the foregoing, the applicant shall provide an address for licensing and administrative purposes, and all services shall be performed at customer locations unless the business qualifies as a Home Occupation under Section 31-1 of the Land Use & Development Ordinance.”

SECTION 3. LICENSE CLASSIFICATIONS

A Mobile/Itinerant Business license shall be classified by one or more of the following classifications, as applicable:

Code	NAICS Title and Suggested License Grouping	Schedule
999111	Unclassified miscellaneous business services not elsewhere classified	C
999222	Unclassified miscellaneous personal services not elsewhere classified	B

SECTION 4. CONFLICT WITH OTHER ORDINANCES

Any Ordinance heretofore adopted by the City Council of Daphne, Alabama, which is in conflict with this Ordinance, is hereby repealed to the extent of such conflict.

SECTION 5. SEVERABILITY

The provisions of this Ordinance are severable. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION 6. EFFECTIVE DATE

This Ordinance shall take effect and be in force from and after the date of its approval 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 _____, 2026.

Robin LeJeune, Mayor

ATTEST:

Jessica Linne, Interim City Clerk