

CITY COUNCIL BUSINESS MEETING AGENDA
1705 MAIN STREET, DAPHNE, AL
APRIL 5, 2010
BUSINESS MEETING
6:30 P.M.

1. CALL TO ORDER

**2. ROLL CALL/INVOCATION /
PLEDGE OF ALLEGIANCE**

3. APPROVE MINUTES: Council meeting minutes / March 15, 2010

PRESENTATION: Commissioner Bishop / Present Check to Fire Department

PRESENTATION: Revenue Commissioner / Teddy Faust

PUBLIC HEARING: Revisions to Zoning Map

MOTION: Transfer \$900 to Councilman Lakes Training Account

4. REPORT STANDING COMMITTEES:

A. FINANCE COMMITTEE / Boulware

B. BUILDINGS & PROPERTY - Lake

C. PUBLIC SAFETY - Burnam

Review minutes for Fire Code Board of Appeals / March 4th

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE - Palumbo

Review minutes / March 10th

E. PUBLIC WORKS COMMITTEE / SOLID WASTE AUTHORITY - Yelding

Review minutes / February 26th

Review Beautification minutes / March 5th

5. REPORTS OF SPECIAL BOARDS & COMMISSIONS:

A. Board of Zoning Adjustments – Jones

B. Downtown Redevelopment Authority – Barnette

Nominations:

1.) Katherine Gay Zito

2.) Laura A. Gorowsky

C. Industrial Development Board – Yelding

D. Library Board – Lake

E. Planning Commission – Barnette

Review minutes February 17th

Review minutes / February 25th

F. Recreation Board - Burnam

G. Utility Board - Scott

Review minutes / March 3rd

6. REPORTS OF OFFICERS:

A. Mayor’s Report

- a.) Renaissance Improvement & Cooperative Districts Maintenance Agreement
- b.) ABC License / Daphne Walgreens / 050 – Retail Beer (Off Premises Only) / 070- / Retail Table Wine (Off Premises Only)
- c.) ABC License / Malbis Walgreens / 050 – Retail Beer (Off Premises Only) / 070- / Retail Table Wine (Off Premises Only)

B. City Attorney’s Report

C. Department Head Comments

7. PUBLIC PARTICIPATION:

8. RESOLUTIONS & ORDINANCES:

RESOLUTIONS:

- a.) **Appointing Members of the Special Care Facilities Financing Authority of the City of Daphne-Villa Mercy...../Resolution 2010-34**
- b.) **Support for Baldwin County Commission Live Oak Landing (CIAP) Funding Request...../Resolution 2010-35**
- c.) **Support for House Bill 713 and Senate Bill 534 to Create the Department of Insurance Transparency Act...../Resolution 2010-36**

ORDINANCES:

2ND READ

- a.) **Civic Center Energy Analysis...../Ordinance 2010-15**
- b.) **Baldwin County Economic Development Alliance...../Ordinance 2010-16**
- c.) **(2) Used Backhoes...../Ordinance 2010-17**

1ST READ

- d.) **Revisions to the Zoning Map...../Ordinance 2010-18**
- e.) **Authorizing the Issuance of General Obligation Refunding Warrants Series 2010...../Ordinance 2010-19**

9. COUNCIL COMMENTS

10. ADJOURN

**CITY OF DAPHNE
CITY COUNCIL MEETING**

ROLL CALL

CITY COUNCIL:

CALL VOTES

COUNCILMAN YELDING

PRESENT__ ABSENT__ __

COUNCILWOMAN BARNETTE

PRESENT__ ABSENT__

COUNCILMAN LAKE

PRESENT__ ABSENT__ __

COUNCILMAN BURNAM

PRESENT__ ABSENT__ __

COUNCILMAN SCOTT

PRESENT__ ABSENT__ __

COUNCILMAN BOULWARE

PRESENT__ ABSENT__ __

COUNCILMAN PALUMBO

PRESENT__ ABSENT__ __

MAYOR

MAYOR SMALL

PRESENT__ ABSENT__ __

CITY CLERK:

DAVID L. COHEN

PRESENT__ ABSENT__

CITY ATTORNEY:

CITY ATTORNEY JAY ROSS

PRESENT__ ABSENT

MINUTE NOTES:

**CITY COUNCIL MEETING
MINUTES**

NOTES:

COMMITTEE RECOMMENDATIONS

**MARCH 15, 2010
CITY COUNCIL MEETING
1705 MAIN STREET
DAPHNE, AL
6:30 P.M.**

1. CALL TO ORDER

Council President Palumbo called the meeting to order at 6:34 p.m.

2. ROLL CALL/INVOCATION/PLEDGE OF ALLEGIANCE

Invocation was given by Mr. Eady.

COUNCIL MEMBERS PRESENT: Bailey Yelding; Cathy Barnette; Greg Burnam; Ron Scott; Derek Boulware; August Palumbo.

ABSENT: John Lake.

Also present: David Cohen, City Clerk; Rebecca Hayes, Assistant City Clerk; Jay Ross, City Attorney; Adrienne Jones, Planning Director; Richard Merchant, Building Official; James White, Fire Chief; David Carpenter, Police Chief; Kim Briley, Finance Director; Bill Eady, Public Works Director; David McKelroy, Recreation Director; John Williams, Civic Center; Michele Hanson, Human Resource Department; Anne Morris, Reference Librarian; Scott Hutchinson, City Engineer; Tomasina Werner, Beautification Committee; Mickey Boykin, Daphne Museum; County Commissioner Ed Bishop.

Absent: Mayor Fred Small; Deni Biggs, Interim Civic Center Director; Tonja Young, Library Director; Vickie Hinman, Human Resource Director;

3. APPROVE MINUTES

MOTION BY Councilwoman Barnette to adopt the Council meeting minutes meeting held March 1, 2010. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to adopt the Special Called Council meeting minutes meeting held March 3, 2010 with the correction on page 1 Section 3 to read Civic Center Director instead of Human Resource Director. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to adopt the Council Work Session minutes meeting held March 8, 2010. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MARCH 15, 2010
CITY COUNCIL MEETING
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2

PRESENTATION: Presenting Plaque to Council from Apollo's Mystic Ladies Mardi Gras Organization

Ms. Beth Davis, Mrs. Michele Hanson and Ms. Nancy Grace presented council with a plaque in appreciation for their support for the Mardi Gras parades.

PRESENTATION: Captain Hal Pierce

Captain Pierce presented council with caps and pictures of the USS Independence, and thanked them for their support of the commissioning of the ship.

PRESENTATION: Commissioner Ed Bishop

Commissioner Bishop spoke about team work, and what they have been able to accomplish. Some accomplishments are: construction on County Road 13 from County Road 104 to County Road 64 will be completed by April of this year, and that is a \$10 million project that will be of benefit to people coming to Daphne and going south. The County Commission is putting in over \$100,000 for the widening of County Road 13 and County Road 64 to make it even a better road where County Road 13 and County Road 64 meet. The County Road 13 and I-10 Interchange, working with ALDOT, is a \$20 million project. While it may not seem important to you right now, that will be a big way to move traffic in and out of Daphne onto the interstate, and into Daphne from the interstate. That is a major happening. The County is putting over \$3 million in the service road. He has been talking with the Mayor about doing something at Whispering Pines Road and County Road 13, because the traffic there is horrendous. What they have suggested is to get a turn lane coming from the north from the high school which will let people be able to turn the corner without having to wait for the traffic light, and that might help traffic move in and out of there a lot better. He is working on that right now, and estimates that the project will cost about \$35,000. Commissioner Bishop is trying to make that happen from the County coffers. Construction is finally in progress on the first phase of improvements to Highway 181 down to County Road 64. The County Commission put in \$13.4 million cash for this project, and they were promised a fast track by the Governor when there was nobody else in the state was doing anything like that, and if the County stepped up and contributed they would get a fast track. He said things have not gone fast. He said the County Road 83 will get done quite a bit ahead of County Road 181. He said that the State is doing Highway 181 and the County is doing County Road 83, and sometimes when you get into these deals you think you are going to get fast tracked, but it may turn out to be a slow track. He believes that is what happened, but they need to continue to press them, and push them to get that going south and wind up at Highway 98 in Barnwell to really complete that job and get traffic flowing. He said that they will continue to work on projects dealing with Daphne, and how they can come together to make things happen.

Council President Palumbo stated that in the past that the County Commission has been generous in supporting the Zydeco Festival.

Commissioner Bishop stated that it is on the agenda for tomorrow's meeting, and he has it approved to be voted on, and it is an additional \$7,500.

**MARCH 15, 2010
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4. REPORT OF STANDING COMMITTEES:

A. FINANCE COMMITTEE – Boulware
The minutes for the March 8th meeting are in the packet.

Motion to Reject Bid:

MOTION BY Councilman Boulware to reject the bids received for Bid Document #2010-C-Captain O’Neal Drive (due to errors among the bidders) and authorize the re-bidding of the project. *Seconded by Councilwoman Barnette.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

Treasurers Report / February 28, 2010

MOTION BY Councilman Scott to accept the Treasurers Report ending February 28, 2010 with a balance of \$22,968,795.85. *Seconded by Councilwoman Barnette.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

Sales & Use Tax Collections / January 31, 2010:

Sales and Use Tax Collected for January 2010	\$723,507
Sales and Use Tax Budgeted for January 2010	\$726,313
Under Budget (for January)	\$ (2,808)
Year-to-Date Budget Collection Variance – Over Budget	\$ 9,985

Lodging Tax Collection / January 31, 2010

The Lodging Tax collected for January 2010 was \$42,883.70

The next meeting will be April 12, 2010 at 4:00 p.m.

There will not be a mid-year budget review as it has been tracking along schedule.

B. BUILDINGS AND PROPERTY COMMITTEE – Lake
The minutes for the March 5th meeting are in the packet. Council discussed the Impact Fee information that has been included with the Buildings and Property Committee reports for the last several months. Councilman Scott stated that he feels that council should send a letter to the Home Builders Association to let them know that they are not considering Impact Fees at this time.

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C. PUBLIC SAFETY COMMITTEE – Burnam

The minutes for the March 10th meeting are in the packet, and no council action is needed.

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE – Palumbo

The committee met to review an ordinance regarding vagrants that was forwarded from the Police Department. The ordinance is being prepared by the City Attorney, and will be coming to council in the near future.

Councilman Burnam pointed out that the Fire Department has signed an agreement with the Fairhope Fire Department, and is looking to do the same with Spanish Fort Fire Department for dual assistance in structure fires. He also reported that the Police Department received 15 alcometers from an ADECA Grant which saved the city about \$75,000.

E. PUBLIC WORKS COMMITTEE/SOLID WASTE AUTHORITY – Yelding

The next meeting will be March 26th at 8:00 a.m.

5. REPORTS OF SPECIAL BOARDS & COMMISSIONS:

A. Board of Zoning Adjustments – Mrs. Jones

The minutes for the March 4th meeting are in the packet.. The next meeting will be April 1st with three or four items.

Councilwoman Barnette asked if they have heard anything on the Attorney General’s Opinion on TimberCreek, and the BZA.

Mr. Ross stated that it should be out soon.

B. Downtown Redevelopment Authority – Barnette

Appoint nominees to Downtown Redevelopment Authority.

MOTION BY Councilwoman Barnette to appoint Ronald Nero to the Downtown Redevelopment Board. Term to be determined at a later date. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

C. Industrial Development Board – Yelding

No report.

D. Library Board – Lake

Ms. Anne Morris reported that the Library Open House is March 25th from 5:00 – 7:00 p.m. “Spring Into Read” starts Saturday from 11:00 a.m. – 2:00 p.m.

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E. Planning Commission – Barnette

The Site Review meeting will be Wednesday at 8:30 a.m. The regular Planning Commission meeting will be March 25th at 6:00 p.m. Mrs. Jones is working diligently to get the Land Use Ordinance out for the April Work Session.

Council President Palumbo stated that this will be the main item on the Work Session agenda.

F. Recreation Board – Burnam

No report.

G. Utility Board – Scott

There are several months of minutes in the packet. He said that the Utility has assured him that they will provide the minutes as soon as the board approves them. The next meeting will be March 31st at 5:00 p.m.

6. REPORTS OF THE OFFICERS:

A. *Mayor's Report*

- a.) Parade Permit / Haleigh Waltman / Benefit for a co-worker who has a non-operative brain tumor / April 3, 2010**

MOTION BY Councilwoman Barnette to approve the parade permit for Haleigh Waltman to benefit a co-worker who has a non-operative brain tumor to be held April 3, 2010. *Seconded by Councilman Boulware.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

- b.) Appoint Voting Delegate for the Alabama League Convention / May 15-18, 2010 / Mobile, AL**

MOTION BY Councilwoman Barnette to appoint Councilman Lake as the Voting Delegate for the Alabama League Convention being held on May 15-18, 2010. *Seconded by Councilman Yelding.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

Council discussed rescheduling the Work Session in April because of Spring Break, but they agreed to keep it on April 12th.

B. City Attorney Report

Mr. Ross stated that the donation of the Catranis property in Malbis has to go before the Subdivision POA for approval. If council decides to accept the road Mr. Catranis will have to provide a title search, current appraisal, taxes past and current will have to be paid. There are also several things on the administrative side that will have to be done before it comes to council.

Council President Palumbo stated that they will hold this matter until they hear from the POA.

Councilman Scott stated that they will have to have an implied value to the city for the city to consider accepting the property, and he has not heard this as yet.

Councilman Palumbo requested Mr. Ross to copy the reply to council.

C. Department Head Comments

David McKelroy – Recreation Director – reported that Dixie Youth starts tonight at Lott Park, and Dixie Boys and Girls fast pitch starts March 27th. March 27th is the Annual Easter Egg Hunt at Lott Park.

David Carpenter – Police Chief – reported that March 26th is the Special Olympics where the Daphne Police Department and the Baldwin County Police Department participate. It will be held in Fairhope. He said that they have applied for a grant for \$450,000 to change the radio system out to a digital system. The Foley and Orange Beach Police Departments are on it, and Gulf Shores is going to it. It will give better service. Senators Shelby and Sessions and Bonner are helping with the grant.

7. PUBLIC PARTICIPATION

No one spoke.

8. RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS

RESOLUTIONS:

- a.) **Encourage Congress to Immediately Approve
H.R. 1264, Multiple Peril Insurance Act of 2009. /Resolution 2010-25**
- b.) **Baldwin County Economic Development Alliance. /Resolution 2010-26**
- c.) **Bid Award: Whispering Pines Road / M.C. Williams Contracting
Co., Inc /Resolution 2010-27**
- d.) **Bid Award: (6) Four Wheel Drive Outfront Mowers Lease /Resolution 2010-28**

- e.) Approve Lease Financing of the (6) Mowers/Resolution 2010-29
- f.) Bid Award: Wilson Avenue Drainage Repairs /
Delta Civil Developers. . /Resolution 2010-30. /Resolution 2010-30
- g.) Bid Award: (2) Used Backhoes / Caterpillar Financial Services Corp ... /Resolution 2010-31
- h.) Bid Award: (2) Used Backhoes / Caterpillar Financial Services Corp ... /Resolution 2010-32
- i.) Declaring Certain Personal Property Surplus /Resolution 2010-33

MOTION BY Councilwoman Barnette to *waive the reading* of Resolutions 2010-25, 2010-26, 2010-27, 2010-28, 2010-29, 2010-30, 2010-31, 2010-32 and 2010-33. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to *adopt* Resolution 2010-25. *Seconded by Councilman Boulware.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to *adopt* Resolution 2010-26. *Seconded by Councilman Yelding.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to *adopt* Resolution 2010-27. *Seconded by Councilman Yelding.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to *adopt* Resolutions 2010-28, 2010-29, 2010-31, 2010-32. *Seconded by Councilman Yelding.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilwoman Barnette to adopt Resolutions 2010-30 and 2010-33. *Seconded by Councilman Scott.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

ORDINANCES:

2ND READ

a.) Lodging Tax Appropriation / Replacement of Drainage Pipe at the May Day Parking Lot. /Ordinance 2010-14

1ST READ

b.) Civic Center Energy Analysis. /Ordinance 2010-15

c.) Baldwin County Economic Development Alliance. /Ordinance 2010-16

d.) (2) Used Backhoes. /Ordinance 2010-17

MOTION BY Councilman Scott to waive the reading of Ordinance 2010-14. *Seconded by Councilwoman Barnette.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MOTION BY Councilman Scott to adopt Ordinance 2010-14. *Seconded by Councilwoman Barnette.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

The City Clerk stated that council needed to choose whether they wanted to go with concrete pipe, which Mr. Eady recommended or with the R-12 pipe replacement for Ordinance 2010-14..

MOTION BY Councilman Scott to go with the concrete pipe in the amount of \$37,000 for Ordinance 2010-14. *Seconded by Councilwoman Barnette.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

MARCH 15, 2010
CITY COUNCIL MEETING
1705 MAIN STREET
DAPHNE, AL
6:30 P.M.

ORDINANCES 2010-15, 2010-16 AND 2010-17 WERE MADE 1ST READ.

9. COUNCIL COMMENTS

Councilwoman Barnette stated that it is finally warm weather, and there are a lot of activities around the city. She encouraged citizens to get out to see what the city has to offer.

Councilman Scott stated that it looks like there is an economic upturn. He has talked with people he knows here and at the beach and they say it is looking very good. He is ready for some good news, and ready for sunshine economically.

Councilman Boulware stated that a Parody bill was introduced by Representative Joe Faust. Representatives need to hear from citizens. Action is needed now. They need support as they try to get the bill through committees. Baldwin County has been subsidizing education for the rest of Alabama, and now it is Baldwin County's turn to be subsidized.

Council President Palumbo stated that there is a misconception about Daphne by legislators. Citizens need to send correspondence to legislative delegates in other parts of the state in support of the Parody Bill.

10. ADJOURN

MOTION BY Councilwoman Barnette to adjourn. *Seconded by Councilman Yelding.*

AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED

THERE BEING NO FURTHER BUSINESS TO DISCUSS, THE MEETING ADJOURNED AT 7:49 P.M.

Respectfully submitted by,

David L. Cohen,
City Clerk

Certification by Presiding Officer:

August A. Palumbo,
Council President

**PUBLIC HEARING LIST
FOR COUNCIL MEETING**

APRIL 5, 2010

TO CONSIDER:

- 1. Revisions to Zoning Map**

To: Office of the City Clerk
From: Adrienne D. Jones,
Director of Community Development
Subject: Revised City of Daphne Zoning Map
Date: February 1, 2010

MEMORANDUM

At the January 28, 2010 regular meeting of the City of Daphne Planning Commission seven members were present and the vote carried unanimously for the favorable recommendation of the acceptance of the above captioned map.

Please prepare an ordinance and place on the appropriate agenda for action by the City Council.

Thank you,
ADJ/jd

cc: file

**CITY OF DAPHNE, ALABAMA
ORDINANCE NO. 2010-**

**Zoning District Map
Revision to Appendix H of 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 January 28, 2010 , favorably recommended to the City Council of the City of Daphne certain amendments to the Zoning District Map approved and adopted by the Daphne Land Use and Development Ordinance No. 2002-22, referenced in Appendix H "Exhibit A" thereof and amended by Ordinance No. 2003-06, Ordinance No. 2005-11, Ordinance No. 2006-24, Ordinance No. 2006-73, Ordinance No. 2007-15, Ordinance 2007-48 and Ordinance 2008-56, Ordinance 2009-19, Ordinance 2009-60; and

WHEREAS, said amendments are necessary due to various rezoning and annexation requests which have been approved since the adoption of Ordinance No. 2002-22, Ordinance 2003-06, Ordinance No. 2005-11, Ordinance No. 2006-24, Ordinance No. 2006-73, Ordinance No. 2007-15, Ordinance 2007-48, Ordinance 2008-56, Ordinance 2009-19 and Ordinance No. 2009-60; 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 April 5, 2010; 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 Exhibit "A" of the City of Daphne Land Use and Development Ordinance, as set forth in Ordinance No. 2002-22 and its amendments.

SECTION II: REPEALER

Ordinances No. 2002-22, Appendix H "Exhibit A", 2003-06, 2005-11, 2006-24, 2006-73, 2007-15, 2007-48, 2008-56, 2009-19 and 2009-60 are specifically 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 THE ____ DAY OF _____, 2010.**

**AUGUST A. PALUMBO,
COUNCIL PRESIDENT**

**FRED SMALL,
MAYOR**

ATTEST:

**DAVID L. COHEN,
CITY CLERK, MMC**

**CITY COUNCIL MEETING
STANDING COMMITTEE RECOMMENDATIONS:**

FINANCE COMMITTEE REPORT

BUILDINGS & PROPERTY COMMITTEE REPORT

PLANNING/ZONING/CODE ENFORCEMENT COMMITTEE REPORT

PUBLIC SAFETY/ORDINANCE COMMITTEE REPORT

PUBLIC WORKS/BEAUTIFICATION/MUSEUM COMMITTEE REPORT

Board of Appeals Minutes

March 4, 2010

City Council Executive Chambers

Re: Lake Forest Property Association Code Violations

In Attendance:

Patrick Collins- Representation for Lake Forest

Bryan Frater

Steve Jernudd

Ray Sturch

Mary Ann Hampton

Chief White – Fire Chief

Meredith McCampbell- Secretary

Chip Martin – Fire Marshal

Adrain Yelding

Barry Giles

Stephanie Pierce

Howard Ward

Billy Pappas

Jim Clark

Board of Appeals 108.2 Limitations on Authority

An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder has been correctly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The board shall have no authority to waive the requirements of this code.

Violations of Lake Forest Property Association

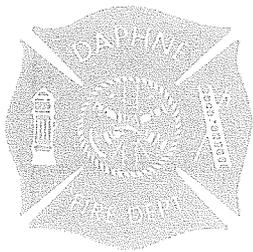
- 503.1.1 Fire apparatus access road shall comply with the requirements and extend to within 150 feet of all portions of the facility.
- 508.5.1 If facility or building is more than 400 feet from a hydrant on the access road, an access hydrant and mains shall be provided where required by the fire code official.
- 505.1 New and existing buildings shall have approved address numbers or approved identification placed in a position that is plainly legible and visible from the street or road in front of the property.

Patrick Collins represented Lake Forest and discussed what they felt was an equivalent method of fire safety protection. They discussed using the cart path and crossing the fairway, without any improvements to either. Fire Marshal Chip Martin gave his interpretation of the code and how their proposals did not comply. Acceptable solutions were discussed but none were agreed upon.

The Board of Appeals dismissed the members of the Lake Forest Property Association and their representation and met afterwards to make their decision. Please find attached a

drafted copy of the decision of the Board of Appeals that is to be mailed to the Lake Forest Property Association and their representation.

Meeting was adjourned at 7:25 pm.



DAPHNE FIRE DEPARTMENT BUREAU OF FIRE PREVENTION

1705 MAIN STREET • PO BOX 400
DAPHNE, ALABAMA 36526
OFFICE: (251) 621-2815
FAX: (251) 621-0067



Established
1953

Established
1927

3/8/10

Gentleman,

The Fire Code Board of Appeals recognizes your time spent in the trying to resolve the situation concerning the Lake Forest Golf Course Maintenance Building. The following is a list of items that have been determined not to be in compliance with the adopted Fire Code of Daphne.

1. 503.1.1 Buildings and facilities.

Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet (45 720 mm) of all portions of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.

2. 508.5.1 Where required.

Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 400 feet (122 m) from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the fire code official.

3. 505.1 Address numbers.

New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Numbers shall be a minimum of 5 inches (102 mm) high with a minimum stroke width of 0.5 inch (12.7 mm).

Though we appreciate your time and efforts, we regret to inform you that it is the opinion of this Board that measures offered will not result in a Code conformant structure.

The Code must be met without exception when dealing with Life Safety issues. It is incumbent upon you as the building owner and insured to determine which Code approved method is most feasible and present it to your Board for consideration and approval as well as the Daphne Fire Marshal. These items must be corrected in an approved timely manner so that no further safety issues arise.

Sincerely,

The Daphne Fire Code Board of Appeals,

David E. Wail

Stephanie S. Peico

Will Ryan

[Signature]

ROSS, JORDAN & GRAY, P. C.

Attorneys at Law
1111 Dauphin Street
Mobile, AL 36604
Telephone: (251) 432-5400
Facsimile: (251) 432-5445
e-mail address of writer: erick@rossandjordan.com

JAY M. ROSS
JOE CARL "BUZZ" JORDAN
MISSTY COCHRAN GRAY
FREDERICK T. "ERICK" BUSSEY
R. JASON CRANE

MAILING ADDRESS
POST OFFICE BOX 210
MOBILE, AL 36601

March 18, 2010

Mr. Patrick Collins, Esquire
P. O. Box 3062
Daphne, AL 36526

**RE: LAKE FOREST PROPERTY OWNERS' ASSOCIATION (LFPOA)
GOLF MAINTENANCE BUILDING**

Dear Mr. Collins:

It is my understanding that your client, Lake Forest Property Owners' Association, Inc. (LFPOA) appealed to the Daphne Fire Code Board of Appeals for violations of three (3) different provisions of the 2006 International Fire Code as adopted by the City pursuant to Ordinance No. 2007-02, which relates to the LFPOA Golf Maintenance Building. I enclose a copy of the Board's final decision for your review.

Please note that the first violation is for failure to have approved address numbers, building numbers or other approved building identification(s) placed in a position as plainly legible and visible from the the street or road running the property pursuant to section 505.1 of the 2006 International Fire Code. The second violation is for failure to have an approved fire apparatus access road within 150 feet of all portions of the maintenance building as required pursuant to section 503.1.1 of the 2006 International Fire Code. The third violation is the lack of a fire hydrant within 400 feet from the building without a fire sprinkler system or 600 feet from a building with a fire sprinkler system pursuant to section 508.5.1 of the 2006 International Fire Code.

It is my further understanding that while a building permit was issued for the construction of the building the Certificate of Occupancy has since been denied by the City. The City will continue to withhold the issuance of the Certificate of Occupancy until the building comes into compliance with the three (3) aforementioned violations. Reference is made to the following sections of the International Fire Code:

Section 105.3.6 of the 2006 International Fire Code as adopted provides:

Page Two
March 18, 2010

“Compliance with code, the issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this code or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction *shall not be valid.*”

Further, Section 105.4 of the 2006 International Building Code, as adopted states,

“Validity of permit, the issuance or granting of a permit shall not be construed to be a permit for, an approval of, any violation of any of the provisions of this code or of any other ordinance of this jurisdiction. Permits presuming to give authority to violate or cancel the provision of this code or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent building official from requiring the correction of errors in the construction documents and other data. *The building official is also authorized to prevent occupancy or use of a structure where in violation of this code or of any other ordinances of this jurisdiction.*”

The LFPOA and the City have enjoyed a long, fruitful, and mutually beneficial relationship with each other and the City clearly desires this relationship to continue. Thus, the City urges the LFPOA to bring the building into compliance without delay so the City may proceed with the proper steps for the issuance of a Certificate of Occupancy. While my client regrets this decision, the City must adhere to the established and duly adopted ordinances which are enacted to uniformly protect the health, welfare and safety of its citizens.

Should you have any questions regarding code provisions or compliance with the same please do not hesitate to contact Chip Martin, Fire Marshal at (251) 621-2815, or Richard Merchant, Building Official, at (251) 621-3080.

Sincerely yours,

FREDERICK T. BUSSEY
For the Firm

FTB/jb

Enclosure

cc: Mayor Fred Small
Chip Martin, Fire Marshal
Richard Merchant, Building Official
Gus Palumbo, Council President
Council Members

Patrick Collins, Esq.
Attorney at Law
Post Office Box 3062 • Daphne, Al 36526
(251) 490.3196 • fax (251)445.7549
email: pbclaw@gmail.com

February 2, 2010

City of Daphne Fire Department
Bureau of Fire Prevention
Attn. Fire Marshall
PO Box 400
Daphne, Al 36526

Re: Lake Forest Property Owner's Association, Inc, Maintenance Building

Dear Sir:

I have the pleasure of representing the Lake Forest Property Owner's Association, Inc. (LFPOA) for purposes of LFPOA obtaining a certificate of occupancy for the maintenance building.

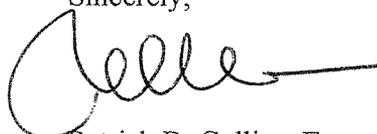
It is my understanding that LFPOA properly submitted plans and documents to the City of Daphne prior to the rebuilding of the structure and that a building permit was issued. Once work was completed, final inspection was duly requested. The certificate of occupancy was denied LFPOA because of some alleged fire code issues. The "Fire Code Appeal Form" attached is the form provided by the City, which we filled in.

Also attached are three letters which summarize the reason for the appeal. This first is a letter from the Building Official with the City, along with the letter he referenced from the Fire Marshall. Also enclosed is a letter from the engineers retained by the builder with additional information about what happened. It looks as though the plans were approved as submitted, the project was built in accordance with those plans, and the certificate of occupancy should have been issued upon completion of the building.

My client would like to get this resolved as simply and as quickly as possible. We ask that the Board of Adjustment and Appeals/Fire Codes, or other appropriate City entity as the case may be, overturn the decision(s) and order the issuance of the certificate of occupancy.

Thank you for your attention to this matter.

Sincerely,



Patrick B. Collins, Esq.

Cc: LFPOA
City Clerk

Ordinance Committee

Wednesday, March 10, 2009

City Hall Council Chambers

6:00 p.m.

*Councilman Greg Burnam
Councilman Gus Palumbo
Councilman Derek Boulware*

I. CALL TO ORDER/MEMBERS PRESENT

Members Present: Gus Palumbo and Derek Boulware

Others Present: David Cohen, Eric Bussey, Faye Howell, and Lea Henry

II. PUBLIC PARTICIPATION

None.

III. ORDINANCE REVIEW/DISCUSSION

a. To consider a Review Board for Personal.

A discussion on a personal review board was discussed briefly and is to be placed on next months agenda.

b. To Repeal Ordinance No. 2005-55 and to establish penalties and enforcement procedures for violation of municipal ordinances.

Ms. Faye Howell discussed the need for the revised ordinance.

Motion by Mr. Boulware Seconded by Mr. Palumbo To place on the first City Council meeting in April.

ALL IN FAVOR NONE OPPOSED MOTION CARRIED

IV. OTHER BUSINESS

The committee discussed at the beginning of the meeting two proposed ordinance with regard to amend ordinance number 1995-08 to prohibit solicitation of obscene or offensive to public morals or that advocate unlawful conduct and to outlaw aggressive panhandling and passive panhandling within close proximity to public ways within the city and to eliminate public vagrancy.

Motion by Mr. Boulware Seconded by Mr. Palumbo To place on the second City Council meeting in April.

ALL IN FAVOR NONE OPPOSED MOTION CARRIED

V. ADJOURN

Motion by Mr. Boulware Seconded by Mr. Palumbo To adjourn at 6:38 P.M.

ALL IN FAVOR

NONE OPPOSED

MOTION CARRIED

CITY OF DAPHNE
PUBLIC WORKS COMMITTEE MEETING
Time: 8:00 AM on February 26, 2010
Location: City Hall Council Chambers

CHAIRMAN - Councilman Bailey Yelding, District 1
Councilwoman Cathy Barnette, District 2
Councilman John Lake, District 3

I. CALL TO ORDER

The January meeting of the Public Works Committee was called to order at 8:00 a.m.

Present: Councilman Bailey Yelding, Councilwoman Cathy Barnette, Mayor Fred Small, William H. Eady, Sr.–Public Works Director, Melvin McCarley–PW Superintendent, Sandi Cushway–PW Administrative Assistant, Tracey Miller–Solid Waste Coordinator, Marjorie Bellue–Planting Coordinator, Jaye Robertson–HMR, Scott Hutchinson–HMR, Randy Davis–Volkert, Andy James–Volkert, Bob Foth–Timbercreek POA, Stu Allhands–Timbercreek POA, Jim Moss–Lake Forest POA Board, Dorothy Morrison–DBC

II. PUBLIC PARTICIPATION & CORRESPONDENCE

- A. **Work Request Report** – January 2010 reports reviewed.
- B. **Vehicle/Equipment Maintenance Report** – January 2101 reports reviewed. Councilwoman Barnette commented that there seems to be a lot of non-routine repairs for the Police Department. Need to send to the Public Safety Committee to determine why.
- C. **Correspondence** – None
- D. **Public Participation** – Jim Moss, Lake Forest POA Board representative thanked the committee for the repair of pot holes in Lake Forest. The city crews logged and filled many pot holes. Mr. Moss has been appointed to work with the Lake Forest POA on Lake Forest issues. He is the city’s contact person and can be reached at 802-5965 or 625-4372. He would like to help with the selection of trees being removed. Councilman Yelding requested that Mr. Moss attend Public Works Committee’s monthly meeting to give updates.
- E. **Public Participation** – Stu Allhands, Timber Creek POA. Mr. Allhand wanted to get an update on the city’s plan for resurfacing Timber Creek Blvd and Pine Run. He stated that he appreciates the work he has seen with regard to repairs done so far. The subdivision currents has 680 residents; 735 lots. Outside of pot hole repairs, roads have not been resurfaced.

III. OLD BUSINESS

- A. **Minutes** – January 29, 2010 **Councilwoman Barnette made a motion to accept the minutes, motion seconded by Councilman Yelding.**
- B. **Mosquito Reports** – none reported

IV. NEW BUSINESS

- A. **Arbor Day** - Marjorie Bellue reported that this year will be the 22nd year that the City of Daphne has been awarded Tree City USA. Projects included Arbor Day, Village Point Park, Bay Front Park, Dog Park and the tree survey (Tree Board). Margie stated that the Arbor Day tree giveaway would be held on Saturday – February 27th at the Village Point pavilion from 8:00 AM to Noon. The City of Daphne was also awarded a “Growth Award.” Points were earned by partnering up with local schools to do poster contests. We also have to maintain existing plantings and partner with Riviera Utilities. Approximately \$117,000 was spent on maintaining our trees. Riviera helps out with the Arbor Day tree giveaway. Working on grants for new projects. The committee congratulated Mr. Eady and Marjorie on their good work.

- B. **Claiborne Circle Drainage Repair** – Photos included with packet show damage to plastic pipes. Melvin McCarley said that it would be more cost efficient to put a “sock” over the pipe and re-line the inside. He stated that he has a meeting coming up with a representative with the company that does this type of work. Similar repairs have been done at Chicago’s O’Hare Airport, Miami, Pensacola and Mobile. The pipe is 3’ from a house and is 4’ deep. This method would prevent potential damage to the house’s foundation. Councilman Yelding questioned the urgency of this project. Melvin is going to meet with them today. Riviera Utilities will have to move their power box. Scott Hutchinson commented that he is familiar with this type of repair. Councilwoman Barnette recommended that HMR send an engineer with Melvin to the meeting. She added that this is not in the budget, but that it needs to be fixed. Melvin and Mr. Eady to determine costs and send recommendation to the Finance Committee.
- C. Mr. Eady received notice from the Finance Department that Solid Waste is \$7,927 over budget. \$2,215 over budget in Recycling. Going to run in deficit for remainder of the year or will need approximately \$30,000 added to budget. Mayor Small commented that the two automated trucks are 3 and 5 years old. Councilwoman Barnette asked how much lease per year is on new trucks. Mayor Small responded that it was approximately \$30K. He feels that the maintenance issue should resolve itself with the use of the new trucks. No new recycling trucks were purchased though. Councilman Yelding said that Mr. Eady needs money now so he can take care of his business. **Councilwoman Barnette made a motion to send request for funds to Finance Committee; motion seconded by Councilman Yelding.**

V. **DIRECTOR’S REPORT**

- A. **2010 Capital Improvements – Resurfacing Program.** Mr. Eady reported that filling up pot holes is taking up a considerable amount of our time and money. The department should be focusing on drainage concerns right now, but pot holes and road conditions requiring attention. Mr. Eady referred to reports (included in packet) that include Timber Creek Blvd, Pine Run, Ridgewood Drive, Rolling Hill, Bayview Drive and Main Street. On Ridgewood, would need to mil and resurface; no curb or gutter at this time. Mr. Eady stated that he would like to move forward with work. There will be a lot involved to get these streets ready for repairs. The asphalt there now is about 6” deep. There is a dire need for the resurfacing of these streets. These streets are the most used thoroughfares in the city.
- B. **Advertisement for Bids – 2009-E-Wilson Avenue Drainage Repairs.** Councilwoman Barnette would like to forward this and resurfacing to the next Council work session for discussion. **Motion made by Councilwoman Barnette to forward to Council work session, motion seconded by Councilman Yelding.**

VI. **SOLID WASTE AUTHORITY**

- A. Ordinance 2009-35 An Ordinance Amending Ordinance 2002-34: Garbage Collection. Tracey Miller reviewed with the committee the ordinance passed in August 2009 for once weekly garbage service. One of the new garbage trucks is being sent back to the manufacturer in Pelham, AL due to the arm not operating correctly. All residents in the city are getting a 96 gallon garbage cart. If residents prefer, they can request a 64 gallon cart. Mr. Eady stated that he is getting a lot of positive feedback. Councilwoman Barnette requested a copy of the brochure that is being delivered with the new carts. Tracey to forward to Councilwoman Barnette. The brochure is available in a pdf format and will be made available on the city’s website.

VII. **MUSEUM COMMITTEE**

- A. Minutes – January 11, 2010

VIII. BEAUTIFICATION COMMITTEE

- A. Minutes –February 5, 2010
- B. **DBC Update** – Councilman Yelding commented that the committee had requested information regarding request from Beautification Committee for additional electrical outlets at Centennial Park. The quote from Frank Barnett, Building Maintenance Supervisor was that it would cost approximately \$3,500. Mayor Small stated that this has been on the DBC’s list for quite a while. We also need a pavilion. Need to develop a comprehensive plan for the park before we add additional electrical outlets. Frank Barnett stated that if a pavilion were added, that would require additional changes within the park. Dorothy Morrison stated that the target date for a pavilion at the park is 2011. Hoping to enlist Eagle Scouts to take this on as their project. Frank Barnett said that everything would have to be reworked to add electricity for the pavilion. Councilwoman Barnette said that we are not ready to fund a pavilion. The estimated cost of a pavilion would be around d\$50,000. Dorothy Morrison requested approval to move forward with lighting estimate. The tree would have to be removed for a pavilion. Selena Vaughn suggested that perhaps we could partner with Home Depot and a trade school. The committee decided to revisit this at next month’s meeting. No recommendation made.
- C. **DBC Update** – Dorothy Morrison expressed thanks for everyone helping out with tomorrow’s Arbor Day giveaway. There will also be free coffee provided by Starbucks.
- D. **DBC Update** – Dorothy commented that the trash is not being picked up weekly at the High School.

IX. ENGINEER REPORT

- A. **HMR Update** – Reviewed general layout of Hwy 98 and Whispering Pines Road. Trying to get funding from ALDOT. ALDOT has also request to use our message board on this project. Mayor Small responded that this would not be a problem as long as we don’t need it for something else. Scott asked if there were any questions regarding the layout. Mayor Small said that the main things are the turn lanes, sidewalks and drainage. Scott commented that we may need additional easement. Councilman Yelding stated that traffic at this intersection is heavier than it has ever been. Scott told the committee that they needed to choose which option they wanted to go with and submit it to ALDOT.
- B. **Volkert Update** – Update on the County Rd 64/Hwy 98 intersection. Has been reviewed by ALDOT. The city’s portion would be \$300,000. ALDOT will do the signal which will bring down the costs. ALDOT’s cost about \$700,000. Received approval for the project on Wednesday. Is now pending Council approval.
- C. **Volkert Update** – Bids taken for Captain O’Neal project. Once Council approves, work can begin in about 3 weeks. Bids came in lower than anticipated.
- D. Mayor Small commented on the road resurfacing on Daphne Avenue and Hwy 98. We also need to move forward with the Whispering Pines and Hwy 98 project. He suggested that we request funding. Councilwoman Barnette wants to forward these projects to the next Council work session for discussion.

V. FUTURE BUSINESS

- A. Next Meeting – March 26, 2010

XI. ADJOURNMENT

The meeting adjourned at 9:00 AM. **Councilwoman Barnette made a motion to adjourn. Motion seconded by Councilman Yelding.**



CITY OF DAPHNE
 PO Box 400
 DAPHNE, AL 36526

March 5, 2010 Meeting Minutes

District 1
 Vacant

February meeting minutes were approved.

Treasury reported a balance of \$6,236.55.

District 2
 Carolyn Coleman
 Dorothy Morrison, Chair
Marilyn O'Conner
 Bea Wilson

Parks and Recreation Report

The broken section of the Lott Park fence has been repaired, and Lott Park azaleas will be cut back carefully by Margorie rather than be removed. Planning for a gazebo in Centennial Park is underway. Design plans and estimates are needed. The power at Centennial still needs to be fixed before the holidays.

District 3
 Vacant

District 4
 Tomasina Werner, Publicity
 Selena Vaughn, Secretary

Public Works Report

Margorie Bellue reported our Tree City status has been renewed for the 22nd year and Daphne also received a growth award for the 19th year. She is submitting an article on this to the paper. Arbor Day was a success despite the weather. It was agreed that next year we go back to a 9AM start time. Consideration of other event locations to be discussed. It is possible Arbor Day may be moved back to the Recreation Department / Civic Center parking lot which would allow for more traffic. The Dog Park plantings are nearing completion. We will have to do a photo and publicity on the planting after the fact due to the **weather and everyone's schedules. Next holiday décor going up is Easter. Pat** agreed to help find volunteers to work on replacing Christmas lights in the spring so they will be ready by the next holiday season. Live oaks along 98 are still be trimmed up from the ground to the bottom of the canopy. Crape Myrtles are being pruned and mulched now too. We have 23 or so more hawthorns to be used. DBC needs to decide where to use them.

District 5
 Patty Kearney

District 6
 Elaine Maxime

District 7
 Vacant

City Liaisons
 Margorie Bellue
 Bill Eady
 David McKelroy
 Denise Penrey
 Pat Wilden

Sub-Committee Reports

Arbor Day– Thank you notes will be going out to all our sponsors who supplied give-aways.

Beautification Awards—Next award will be in March when landscaping and beds are looking better. More estimates are needed for the new award signs.

Finance had no report.

Gator Alley had no report.

Main Street—Dorothy reported that the Catholic Church was putting in hawthornes to match the ones DBC had been putting in along Main Street.

Median Crossovers—Magorie is still working on a plan to submit to ALDOT.

Publicity– Tomasina will submit something soliciting for new members.

A new project on the horizon is doing a landscaping plan for May Day Park. DBC members need to set a date to meet at the park t and discuss what needs to happen.

The April general meeting will be a field trip to the Baldwin County Master **Gardener's plant sale across the street from the Week's Bay Reserve. Everyone** should meet on April 9th at City Hall at 9Am to carpool.

Meeting adjourned.





CITY OF DAPHNE
PO Box 400
DAPHNE, AL 36526

March 2010 List

Parks and Recreation Department

Centennial Park tree stump needs to be removed and a gazebo is needed. Plans and costs should be considered for installation in 2011.

Public Works Department

- Hwy 98 Median master plan to be submitted to ALDOT
- Lott Park Plantings being completed this month and azaleas being trimmed back.
- Master landscaping plan needed for Hwy 98 at Main Street intersection
- Master plan needed for Daphne I-10 exits
- Live oaks were being trimmed up (between ground and canopy) but not all have been completed
- Crape Myrtles trimming and mulching along 98



Respectfully submitted,
Selena Vaughn
605-6243
vaughn@mchsi.com

**CITY COUNCIL MEETING
REPORTS OF SPECIAL COMMITTEES**

NOTES:

BOARD OF ZONING ADJUSTMENTS REPORT:

DOWNTOWN REDEVELOPMENT AUTHORITY REPORT:

INDUSTRIAL DEVELOPMENT BOARD:

LIBRARY BOARD:

PLANNING COMMISSION REPORT:

RECREATION BOARD REPORT:

UTILITY BOARD REPORT:

Resume for Downtown Redevelopment Authority

**Katherine Gay Zito
(Casey)
504 Lea Avenue
Daphne, AL 36526
(251) 623-0210**

I am a native of Daphne as was my mother. My mother, Dea Stapleton Gay, was born in the house where Mercy Medical now stands. I grew up on Captain O'Neal Drive where my father still lives. I attended Christ The King School, Daphne Middle School and graduated from Fairhope High School in 1979.

I received my undergraduate degree from Auburn University in 1983. In May of 2009, I graduated with honors from the Executive MBA program through Auburn University.

I have worked in the banking industry since 1985. I moved back to Daphne in October 1998 to manage the Daphne Branch of First Gulf Bank. In 2000, I became Corporate Sales Manager for Alabama National Bancorporation which was the holding company of First Gulf Bank. Approximately 2 ½ years ago, ANB merged with RBC Bank. I served in various capacities, most recently as the Workplace Banking Director for the State of Alabama and the Florida Panhandle. RBC eliminated this position on March 15th. At this time, I am enjoying the ability to devote time to my family and new pursuits.

I am a graduate of Leadership Baldwin, a member of St. Paul's Episcopal Church, and a member of the Jubilee Festival Committee through the Eastern Shore Chamber of Commerce. I previously served as Chairman of the Jubilee Festival for two years. I am a registered and active voter in Baldwin County.

Daphne is truly my home and a very special place to live and work. It is my desire to serve the City of Daphne in a way that will maintain its unique character and environment while promoting managed growth.

Resume for Downtown Redevelopment Authority

Laura A. Gorowsky RN, BSN

706 Captain O'Neal Drive
Daphne, AL 36526
251-802-8507

EDUCATION: 1982-1987 Univ. of South Alabama, College of Nursing. BSN.
1980-1982 Springhill College

EMPLOYMENT: September 2003 - Present
Springhill Medical Center, Mobile, AL
Newborn Nursery, Neonatal Intensive Care

January 1992 - July 2003
Saint John's Health Center, Santa Monica, CA
RN, Intensive Care and Newborn Nursery.

January 1994 – October 1994
Daniel Freeman Hospital, Inglewood, CA
PRN Intensive Care Nursery

April 1994 – April 2000
Little Company of Mary Hospital, Torrance, CA
PRN Intensive Care Nursery

December 1989 – January 1992
STP Nursing Registry, Los Angeles, CA
Intensive Care Nursery

August 1988 – December 1989
Specialty Care Nursing Registry, Los Angeles, CA
Intensive Care Nursery

March 1987 – August 1988
Univ. of South Alabama Medical Center, Mobile, AL
RN, Intensive Care Nursery

CERTIFICATIONS: BCLS
Neonatal Resuscitation

COMMUNITY ACTIVITIES:
Girl Scouts
Daphne Museum
Angle Babies
Medical Relief team for MS- Hurricane Katrina
Member of Bay Community Church

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
SPECIAL MEETING OF FEBRUARY 17, 2010
COUNCIL CHAMBERS, CITY HALL - 9:30 A.M.

CALL TO ORDER:

The number of members present constitutes a quorum and the special meeting of the City of Daphne Planning Commission was called to order at 9:20 a.m.

CALL OF ROLL:

Members Present:

*Fred Small, Mayor
Don Terry, Vice Chairman
Ed Kirby, Chairman
Victoria Phelps
Larry Chason
Cathy Barnette, Councilwoman

Members Absent:

Joe Lemoine
Frank Martin, Secretary
Chief James "Bo" White

* Mayor Small arrived at 9:33 a.m.

Staff Present:

Adrienne D. Jones, Director of Community Development
Jan Dickson, Planning Coordinator
Ashley Campbell, Environmental Programs Manager
Jay Ross, Attorney
Misty Gray, Attorney

Staff Absent:

Nancy Anderson, GIS Manager
Erick Bussey, Associate Attorney

Others Present:

Utilities Board of the City of Daphne:

Kenneth Johnson, Code Enforcement Officer
Larry English, Water Quality Manager
Jim Caudle, Water Reclamation Facility Manager
Larry Jackson, Field Services Manager

Others Absent:

Rob McElroy, General Manager/Utilities Board of the City of Daphne
Danny Lyndall, Operations Manager/Utilities Board of the City of Daphne

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
SPECIAL MEETING OF FEBRUARY 17, 2010
COUNCIL CHAMBERS, CITY HALL - 9:30 A.M.

The first order of business is the call to order.

Chairman: Please let the record reflect Mr. Lemoine, Mr. Martin and Chief White are not present.

The first order of business under new business is an administrative presentation for an amendment to the Daphne Land Use and Development Ordinance.

NEW BUSINESS:

An introductory presentation was given by Ms. Adrienne Jones, the Director of Community Development.

Chairman: Do any of the Commissioners have any questions or comments? If there are no comments, then I guess we will begin our special session. At this time, I am going to ask if there is anyone in the audience who would like to address the Commission? I do not know how many of you wish to speak so we are going to ask you to limit it to three minutes if you can make your comments in that time and please state your name for the record.

Mr. Donald Ouellette, the President of the Madison Place Subdivision Property Owners' Association: I would like to address my concerns regarding the requirements provided to address the installation of grinder pumps in residential subdivisions. At the president of the Madison Place Subdivision Property Owners' Association, this has been one of my pet peeves. One of the people that lives in the subdivision just had their pump redone for the fourth time. I am reading this article, but it does not tell me what has changed. All I could understand by the regulations is that I would go somewhere else, and they would tell you what you can do.

Chairman: My understanding of the new regulations is the Utilities Board will set the standard and approve the type of grinder pump that will be installed.

Mr. Ouellette: So does that mean the Planning Commission is not going to regulate what is installed?

Chairman: The Planning Commission will decide whether or not they can use grinder pumps, and the Utilities Board will decide what type.

Ms. Barnette: May I address that since I was involved in developing this? It was decided that a standard for the Utilities Board would be set for the City of Daphne. The problem you are talking about happened before there were any standards. Previously there were no standards in our Ordinance, and they Utilities Board could only make a recommendation on what to use.

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
SPECIAL MEETING OF FEBRUARY 17, 2010
COUNCIL CHAMBERS, CITY HALL - 9:30 A.M.

Ms. Barnette: We thought this would be the best way to handle it since this would allow the Daphne Utilities Board to decide what was best for our community and also have those which were used in the extraterritorial jurisdiction meet the minimum standards. We feel as if we have addressed it, and there will not be as much of a problem in the future.

Mr. Ouellette: Is there a place someone can go to look at these standards?

Ms. Barnette: If you go to Daphne Utilities, they have standards book and they would be happy to show you.

Chairman: Would anyone else like to address the Commission?

Mr. Johnny Young: My name is Johnny Young from Coastal Exposures Landscape, Daphne area. We were here at the work session and proposed verbiage to change the language in Article XIX, Section 3 f, which basically says a landscape architect is the only one you will accept a landscape plan from. We would like to request a change in the Ordinance to allow a landscape plan to be submitted by a licensed landscape designer. I have submitted my educational background for your review. I am located in Daphne. I used to submit designs before this was written and adopted in 2002. I can still submit a landscape plan, but it must be stamped by a landscape architect. With the economic times right now, we think we add value because we are a full service design firm. We can provide a better fee and make up the difference on the installation cost, as well. By using this requirement, you are allowing a landscape architect from other areas to submit designs that are not familiar plants, and the fill material used is marginal. We are located in this area and would like to provide that service. Also, with regard to the warranty of the installation of the plants, the landscape architect does not provide a warranty for the installation. We do. I have a four-year degree in landscape design and have been hampered because of this regulation. I just wanted to come to speak and ask if you had any questions I could answer which have not been addressed.

Mr. Chason: I think there is a way to address this by putting a cap on a project. I think with a really large project there is a need for a landscape architect. I can only think of a handful of developments which would meet that criteria. My comment, Mr. Chairman, would be to agree on a dollar amount and everything over the amount set would require a state certification of a landscape architect.

Mr. Terry: To be licensed in Alabama do you have to have a BS degree?

Mr. Young: No sir. It is humiliating, but anyone can walk in off of the street, pay the fee, and take the test. That is why we put in there that you have to have a BS degree from an accredited university and be licensed by the State of Alabama. We are a licensed general contractor so we have another governing body as well.

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
SPECIAL MEETING OF FEBRUARY 17, 2010
COUNCIL CHAMBERS, CITY HALL - 9:30 A.M.

Mr. Chason: How would we address it if someone had a four-year degree from the University of Wyoming and no experience here?

Mr. Young: I think the Planning Commission should establish some type of guideline and ask the designer to be pre-approved.

Ms. Barnette: Someone should not be able just to go and take the test to become a landscape designer. The four-year degree does add a little bit more to it, but not enough.

Mr. Chason: Is there a way to require that the plan is signed off on locally?

Mr. Ross: Do you mean locally as in Daphne? No.

Mr. Young: According to the regulations, the design criteria set forth is very stringent. It would require someone with experience to apply the criteria.

Chairman: The reason we adopted the requirement of the registered, professional landscape architect is he puts his reputation on the line when he says the landscaping was installed according to the landscape plan. That was the issue, and that is the point.

Ms. Phelps: Another issue or point that needs to be made before we end this conversation is we would be helped as a City if we had our own engineer that could also validate the plan.

Mr. Young: Another issue is you are going to impose a five hundred dollar fine if a landscape plan is not installed in accordance with the plan, but the plan is not being followed because it is designed over budget.

Chairman: At the time the owner begins construction, he would have gotten an estimated cost of the installation of the landscape plan. I see your points, but I also know why we did this.

Mayor Small: I know we are addressing this in order to improve it, but at the same time all we are doing is driving the cost up of development. I think we need to look at that.

Ms. Phelps: I think we need a compromise.

Mr. Chason: Does your firm carry any error and omissions in case there is a mistake? The reason I am asking is we require an engineer to carry it in case there is a mistake in their engineering design. If there is a mistake on this, who would we go to. You could purchase a performance bond then you would be bonded and state licensed.

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Chairman: We will not be taking a landscape or any type of bond like we used to.

Ms. Barnette: We are not doing another French Settlement Subdivision.

Chairman: That was not the only one.

Ms. Barnette: I know.

Mr. Chason: I agree with the Mayor. How do we help not only the businesses and the subdivisions?

Mr. Strunk: My name is Troy Stunk, WAS Design. I am a landscape architect. I would like to address the issue of the requirement for a landscape architect to present a plan to the City of Daphne. A landscape architect is guided by a set of professional requirements and laws he must follow and is provided a stamp with a registration number such as an engineer. A landscape designer does not have to follow those laws. I feel the City required the stamp of a landscape architect in order to be able to require a certain standard for a landscape plan and to have a person or entity that could provide an inspection letter at the time of completion to ensure the landscaping had been installed in accordance with the approved plan.

Mr. Watkins: My name is Chad Watkins, WAS Design. I am a landscape architect. The requirement for the submission of a landscape plan in the City of Daphne by a landscape architect was intended to have a professional party to oversee, inspection, and certify the installation of the landscaping according to the plan design which is regulated by professional standards. The cost of the landscaping is set at a specific cost and designed for the site. To my knowledge we have not ever stamped a plan which was designed by someone else.

Mr. Tarlton: I agree with Mayor Small. What you are dealing with is the cost of the design and the installation. Most of the time the design cost is more than the landscape installation. If you set the cost at fifty thousand dollars, then any job above that would require a licensed general contractor.

Chairman: We have called this special meeting to see if we can move this document forward. In one hour I am going to have to leave to attend a funeral in west Mobile so who would like to start.

Mr. Chason: I think the reason we cannot get past this because we all have varying levels of discomfort with the document. We have put the Ordinance on a level in which only a trained professional can interpret it. An applicant after approval goes back and does not understand why all of the things are required. I think we need to ask a section to the Ordinance that would allow an applicant to ask for an interpretation of the Ordinance. I had a discussion with Adrienne about this.

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Mr. Chason: Adrienne said it is already covered under the powers of Board of Zoning Adjustments. I did read it, and the Board of Zoning Adjustments deals with issues when there is a hardship such as a setback. They do not deal with things like is Interstate 10 a public right-of-way. I think the duties for the BZA need to be expanded to provide an interpretation to this Ordinance.

Chairman: I am going to ask a question. The Board of Zoning Adjustment is established and the authority is given to them by state law. There is an avenue to review Ashley's, Adrienne's or my decision. You do have an avenue, and it is called an administrative appeal. At the time of the presentation of the application, an interpretation of the Ordinance is made. I think what Mr. Chason is saying there is an avenue in place we just have to use it.

Ms. Barnette: I think we need to back up a little bit. We do have staff to interpret for the project consultant as much or little of what the laws and ordinances are. I think we need to lean to that first. I know when they come in normally Jan is the first one they see. She provides them with the check list and explains to them the laws, ordinances, and what they can and cannot do. I know it is a daunting book, but we do have staff in place which guides them and walk them through the process. I think we need to let them do that. I know the book is larger, but I am not concerned with that. When we wrote the Ordinance about Interstate Pylon Sign it was very clear, and now we are allowing more because we think we did not write it clear enough. This is making the book thicker and thicker. We can have a clear ordinance, but we are not standing by what our intent was; therefore, we are allowing the abuse. The Board of Zoning Adjustments has a specific purpose so I would hope we would use staff through the process in the beginning.

Mr. Chason: What I am asking is something an applicant can do after the process is complete and approved, under construction, and they need an interpretation of instruction as to how to proceed or of the Ordinance. There are about six departments which may or may not agree on the issue. The book says you need to go to Circuit Court. It may not be something that needs to go to them. The Board of Zoning Adjustment would need to do the review and get them back out there to work. We have spent twenty-five years making the book thicker. Now what I am asking to give the applicant an avenue with little or no cost involved so he may ask is this what you asked me to do.

Ms. Barnette: People are trying to do a good project, but they can't. The Planning Commission or the Board of Zoning Adjustment needs to set the record straight for them, put them back out there to work, and they are not in fear of being in violation.

Chairman: That should be easy to do and that is if you need to modify or change your plans, then you have to come by to the Planning Commission.

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Chairman: I think we just saw a case of that. The man just came here to get an interpretation by the Planning Commission. By the time the representative from Eastern Shore Christian Center had come to the Planning Commission, he had resolved his own issue.

Mr. Chason: I will note he was an individual which does his home work and researched it himself. He was set to resolve it. That is only ten percent of the time. The other ninety percent of the cases, an engineering firm presented the plan and does not want to come back to the Planning Commission. The engineer that did the plan does not want to come in here. They have to deal with us again and again so they do not want to ask us to make changes, a variance or to make an exception. That is just not what they do.

Ms. Phelps: I have some comments I would like to make. You mentioned the departments. The departments review the plans and provide comments which are communicated to the applicant. The applicant has time to address those issues or correct those problems. There is a chance to communicate with staff and the departments prior to presentation to the Planning Commission. The Community Development team also offers a recommendation if it does not meet the criteria of the Ordinance. I would venture to say since I have been on this panel for several years, the most troublesome item we have had is a Planned Unit Development. We have them on our list for the next go round. Other than a PUD, either the plan gets corrected prior to the site preview, the regular meeting, the applicant says I cannot do it, or he brings it later. I think the process is responsive to the needs of the citizens and the community we are trying to develop. I think the problem is some they would prefer not to have regulations, but we know realistically that is not possible. We have a set of rules and ordinances that protect the community we are living in and will develop it in such a manner we will all be proud of. I also want to say that I have been a part of the renewal process for more than two years. When issues have been brought up, they have been addressed, and we have compromised. I did not get everything I wanted in the book and neither did you. As a team we compromised and came up with a document which will help our community develop over time.

Mr. Chason: If you look at the neighborhoods which make this City have the character it has and gave you the reasons why you wanted to move here, then those subdivisions would not work under this Ordinance. I am not criticizing department heads because it may benefit them as well. There is not a process to benefit an applicant prior to or after a project is approved to keep that from getting out of hand.

Chairman: As a businessman I would not go out and spend money if I did not know what I am doing. I am hearing where we are going, but I do not hear any answer as to what we need to do. What do we do with the book chunk it?

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Mr. Chason: No. What I am asking is that we add language to afford someone to come in here and make an appeal to the Planning Commission for an interpretation of the Ordinance, after the plan is approved, and the project is in under construction. Is it not true that once it is under construction and the Planning Commission has approved it, then we are through with it?

Chairman: That is true.

Mr. Chason: For the problems they have after that time, who would they go to?

Chairman: If I tell you to do something in the middle of the project, then you would go to the Board of Zoning Adjustment.

Ms. Barnette: Isn't that what an administrative review is? If they have a question and ask for clarification, then we are not prohibiting that at all.

Mr. Chason: We don't. What if the problem is not prior to the project being approved, it is after, then how do you address the problem? When someone is asked to do things that are not shown on the plans, then how do you handle that? There is no place on the agenda or in the book for that. You cannot deny, Mr. Kirby, that a project is not approved like it used to be. There is only a list of may be eight people that are presenting, and they do not want to take the initiative to resolve the issue.

Chairman: Then you are adding more to the book.

Ms. Barnette: I can understand what Larry is saying. We can add a section under the transaction of business to say if you have a problem after a project is approved you may come back to the Planning Commission for an administrative appeal.

Chairman: Then you would be coming to modify your site plan.

Mayor Small: It is not for a modification. It is for an interpretation of the requirement for a modification or a change.

Ms. Barnette: I would rather someone come back to ask for a modification of a landscape plan rather than to change it and incur a fine.

Ms. Jones: That is already in there. It is in Article 19. If they want to modify a landscape plan, then they come to me. Also, anytime they would like to modify their site plan, then they will come to me. I will bring it to you, if it is a deviation from what is already in this book. If we can compromise, then it will not come to Planning Commission. I do not approve anything that is different from what this book says is supposed to be done.

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Ms. Jones: If it is going to be appealed, then it is supposed to be appealed through the BZA and not to you. That is specifically stated in State statute and that is the BZA's job. Your job is to approve the site plan or to make a recommendation to the City Council for this Ordinance or for zoning amendment. It is limited for a reason. I think it is meant to set boundaries to keep anyone from doing anything arbitrary and capricious and/or for political reasons.

Mr. Chason: Then what I am asking is for a section to be added somewhere in this book to encourage an applicant which would like to have an interpretation prior or subsequent to approval by the Planning Commission to bring the issue to Community Development for an appeal to the Planning Commission. It may be the applicant is wrong and staff is right. If there is a question about the approval, then it should be the nine Planning Commission members to answer the question because they voted for it. Things get approved and built then you say that is not what I had in mind. This is where it started, and this is where it needs to stop. I would be happy for an applicant to come back to you, and you decide or place it on the agenda for us to give an interpretation.

Ms. Jones: Where is it you would need an interpretation of what the book clearly states? Give me an example because I am having trouble grasping this.

Mr. Chason: There have been subdivisions in which the street was constructed. You go to the end of the cul-de-sac, and the last lot in the subdivision is unbuildable. The subdivision was designed, constructed, but the lot is unbuildable. There was a guy in here today that said a lot is not buildable. Engineers are not good enough to put it down on paper, you get in the field, and it goes the way it is supposed to. I am talking about when it does not go as anticipated. There will be a very simple process for people to come back to straighten out the mess and to not put it on the back of an individual in the field to make a ruling.

Ms. Jones: If it is unbuildable on the ground, then what interpretation would the Planning Commission make regarding the plat?

Mr. Chason: The interpretation would be based on the relief the person is requesting. That is when he would say this is what was approved. I got out there, and this is what happened.

Ms. Barnette: That is when the owner or the developer would go to BZA and say this is a previously approved lot. I need relief because I cannot build on this lot with the zoning standards or requirements. That is what BZA does all of the time. The owner would say I have too much slope, wetlands, whatever. That happens all of the time or they might say they have a significant tree. That part is absolutely BZA. A replat of lots is Planning Commission because Adrienne does not have the power to approve a resubdivision.

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Ms. Jones: If it is combining the lots, then I do.

Ms. Barnette: If is the moving of a common lot line under single ownership?

Ms. Jones: If you are cutting the parcel into lots, then it does have to come to Planning Commission.

Mayor Small: Those are interpretation issues. There again we have to stand behind our staff. The seven or eight people that does the presentation are less likely to stand up for the owner and come back to this body because they have to deal with the owner all of the time. We need to have some way for the customer has to have some way to come and ask for an interpretation of the Ordinance. This would ensure that staff is interpreting the Ordinance correctly. The owner may be at the end of the project, and he is required to put in a fire hydrant or the fire marshal is not going to sign off on the project. It simply may just be a matter of interpretation. There may be more than one way to interpret the Ordinance.

Mr. Chason: I appreciate your comments, Mayor. You have a presentation made by an engineer to the Planning Commission, and the project is approved. Now the owner is in the field with staff with a problem and there is a disconnect. All I am asking for is a way to bridge the gap. We want to keep the owner in touch with the City in order to solve the problem and to protect the integrity of what we are trying to do in the City. I am not criticizing staff. I am not saying we throw away the book. I want to provide an avenue to say this is a complicated issue if when one can arises. We are here to help you so bring it back in here, and let's fix the problem.

Ms. Phelps: We do have an avenue. They come to Adrienne.

Mayor Small: They come to me too.

Mr. Chason: I respectfully disagree.

Chairman: If we throw this book in the garbage, and staff tells them something Mayor they are still going straight to you.

Ms. Phelps: They can ask to alter their site plan.

Mr. Chason: The book needs to say that. It needs to say you can go to Adrienne or the Mayor.

Mayor Small: It should not come to me. It should say it would come back to the Planning Commission or the Board of Zoning Adjustment.

Chairman: With all of the new items presented, aren't we just delaying this?

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Mr. Chason: If you put an appeal process in the book, then I am happy with the rest of the book.

Ms. Barnette: Let's put an appeal process under the transaction of business. A lot of my comments which have never been addressed are just repetitions.

Ms. Phelps: I sent Adrienne a revised list. They were either name changes or typos. I would like to change the easement width on County Road to fifteen feet.

Chairman: We cannot change the right-of-way.

Ms. Phelps: In Article 10, page 6, can we add the need for the review of an acceleration, deceleration or turn lane? Even if we get a traffic study, that is something we do not comment about or it is left out.

Mr. Terry: Is this a reminder for us?

Ms. Barnette: I am fine with that. It does not say it would be required, but it may be discussed.

Ms. Phelps: The last one is and we went around and around about this one. It starts off as it is not the intention of the Planning Commission to serve as an architectural review board. I think that is a little derogatory. I think we should say every effort should be made to make a commercial structure aesthetically pleasing. I think it sounds more professional to say every effort should be made.

Ms. Barnette: Didn't we have to put that in there because we do not have an architectural review board?

Mr. Ross: You cannot regulate architectural requirements if you do not have a review committee.

Mr. Chason: What if we add in there to encourage for the property owners' association to form and have an active architectural review board to make every effort to ensure business structures are aesthetically pleasing.

Ms. Phelps: I do not want to say architectural review board at all.

Mr. Chason: An architectural review is along the lines of the enforcement of the covenants so if we cannot require it, then we should encourage it. If you encourage them to put it in place in the beginning, then it does make for a better project.

Ms. Phelps: This is in response to the number of metal buildings we are getting. This is only in business zones. I think it should be every effort. The last thing is, did the smart street language make it in the Ordinance?

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Ms. Jones: Yes.

Ms. Phelps: In each district, I think we should have a map for each district. With regard to the creation of the last district, we did not have an opportunity to discuss connectivity so it did not make it in the Ordinance.

Ms. Jones: That is an issue to address in the comprehensive plan, and the zoning ordinance would enforce it. It was on the map.

Ms. Phelps: The map did not go with the Ordinance.

Ms. Jones: The map did go with the Ordinance.

Ms. Phelps: I did not see it. I only saw the verbal text.

Ms. Jones: Tell me about the information that I will be adding.

Ms. Barnette: In Article 6, you are going to put language in there to say that a project is encouraged to come to the Planning Commission at a pre-development stage and may come back for clarification of the Ordinance, if necessary. It would come back as an administrative presentation to the Planning Commission.

Ms. Jones: You know we already have in the Ordinance a pre-application conference set for a development of five acres or more and that is free. There is also a preconstruction conference which includes all of the departments and anyone else who may want to come. I have always made sure everyone was aware of what they needed to do so there are not any surprises. I do not like surprises. I have been talking to Melvin McCarley, the Superintendent of Public Works, about tree removal. The only time a tree removal permit should be issued is if it is located in the right-of-way or on private property inside of a tree protection zone. His question is, should he be issuing a tree permit on private property?

Mayor Small: We should not be permitting trees on private property. If it far enough from the right-of-way, then you can cut it down.

Chairman: No. You can't. If it is a significant tree, you must have a tree removal permit.

Ms. Barnette: That is why it is in my comments.

Ms. Jones: You need to clean it up.

ADJOURNMENT:

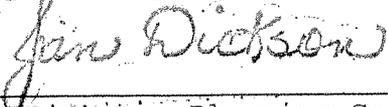
Chairman: Do any of the Commissioners have any questions or comments? If there is no objection, the Chair will entertain a motion to adjourn.

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A Motion was made and Seconded to adjourn. The Motion carried unanimously.

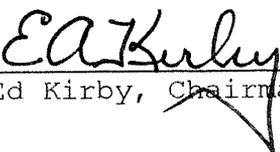
There being no further business, the meeting was adjourned at 10:50 a.m.

Respectfully submitted by:



Jan Dickson, Planning Coordinator

APPROVED: March 25, 2010



Ed Kirby, Chairman

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
REGULAR MEETING OF FEBRUARY 25, 2010
COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

CALL TO ORDER:

The number of members present constitutes a quorum and the regular meeting of the City of Daphne Planning Commission was called to order at 6:03 p.m.

CALL OF ROLL:

Members Present:

Fred Small, Mayor
Don Terry, Vice Chairman
Ed Kirby, Chairman
Victoria Phelps
Larry Chason
Cathy Barnette, Councilwoman
Chief James "Bo" White

Members Absent:

Joe Lemoine
Frank Martin, Secretary

Staff Present:

Adrienne D. Jones, Director of Community Development
Jan Dickson, Planning Coordinator
Nancy Anderson, GIS Manager
Jay Ross, Attorney
* Ashley Campbell, Environmental Programs Manager
Richard Merchant, the Building Official

* Ashley Campbell, Environmental Programs Manager arrived 6:08 p.m.

Staff Absent:

Misty Gray, Attorney
Erick Bussey, Associate Attorney

Others Absent:

Rob McElroy, General Manager/Utilities Board of the City of Daphne
Danny Lyndall, Operations Manager/Utilities Board of the City of Daphne

The first order of business is the call to order.

Chairman: Please let the record reflect Mr. Lemoine and Mr. Martin are not present. Before we go any further, this is Mr. Terry's last meeting. He has decided we were having so much fun that he needs to move on.

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COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

Chairman: At this time, I would like to take this opportunity to thank him for all of his work and effort he has put forth while working with the Planning Commission. Do any of the Commissioners have any comments?

Ms. Phelps: I would like to thank Mr. Terry. He has been a wonderful colleague. It has been a pleasure working with you and good luck.

Mr. Chason: Don, we have disagreed from time to time, but good luck to you.

Ms. Barnette: I will say the same thing. I appreciate all of the work you have done while on the Planning Commission and good luck to you.

Ms. Jones: I just wanted to say Amen to everything they have said. I am going to miss you. I have appreciated what you have done.

Mayor Small: I would like to thank Don for his service here and especially his lovely wife. I will really miss Don because I would see him two to three times a day for a diet coke.

Chairman: Well, we have definitely appreciated your help.

The next order of business is approval of the minutes.

APPROVAL OF MINUTES:

The minutes of the January 28, 2010 regular meeting were considered for approval.

Chairman: A copy of the minutes was furnished to us previously. Do any of the Commissioners have any questions or comments? If there are no additions, deletions, or corrections at this time, the Chair will entertain a motion.

A Motion was made by Mayor Small and **Seconded** by Ms. Phelps **to approve the minutes of the January 28, 2009 regular meeting as submitted. The Motion carried unanimously.**

The first order of business under new business is site plan review for the County Road 13-SRTS Sidewalk Project.

NEW BUSINESS:

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
REGULAR MEETING OF FEBRUARY 25, 2010
COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

SITE PLAN REVIEW:

File S10-04:

Site: County Road 13-SRTS Sidewalk Project

Zoning: Not Applicable

Location: County Road 13 between Whispering Pines Road and County Road 64

Area: Not Applicable

Owner: City of Daphne

Engineer: Hutchinson, Moore & Rauch - Tim Lawley

An introductory presentation was given by Mr. Tim Lawley, representing Hutchinson, Moore & Rauch, requesting site plan review on behalf of the City of Daphne project for the construction of sidewalks located along County Road 13 between Whispering Pines Road and County Road 64. This project is paid for a grant sponsored by the Alabama Department of Transportation. There were no significant comments at the site preview meeting. I will be happy to answer any questions you may have.

Chairman: Do any of the Commissioners have any questions or comments?

Ms. Barnette: I apologize that I missed the site preview meeting, but have we looked at connectivity in that area rather than jumping to the other side of the road?

Mr. Lawley: Are you talking about on the south side? We looked at laying the sidewalk out equally. On the south side there is a ditch, and I do not think there is enough right-of-way there to install pipe and relocate the sidewalk. The right-of-way for that would have to be acquired first.

Mayor Small: Are we on a time restraint? Is it possible to research the possibility of placing it on both sides and bring the project back?

Chairman: I would feel more comfortable even if we did not go any farther than Rand Avenue at this time if we kept the sidewalk on the same side of the road. I would like for you to do a little more research to see how far you can go.

Mr. Terry: The residential area is located on the east side of the road and the school is on the west side so which side are you going to put the sidewalk on?

Chairman: It would be better to cross at the red light rather than in the middle of the road.

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COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

Mr. Lawley: Do you feel like there should be a crosswalk for each side of this? Is that correct?

Chairman: Yes.

Mr. Lawley: That would be with the sidewalk on each side.

Chairman: Yes sir.

Ms. Phelps: But as you have indicated as we move forward we need to connect the sidewalk.

The next order of business is preliminary/final plat review for the TimberCreek Club House Subdivision.

Ms. Barnette: Don't we need to take some type of action on the site plan?

Chairman: It is a city project.

Mayor Small: We can do that if you would like to.

Ms. Barnette: I think for the record that you should.

Mayor Small: What should we do?

Ms. Jones: You can table it.

Mr. Ross: You can table it by agreement.

Chairman: Do any of the Commissioners have any further questions or comments? If there is no objection, the Chair will entertain a motion.

A Motion was made by Ms. Barnette and Seconded by Mr. Chason to table the site plan for the County Road 13-SRTS Sidewalk Project. The Motion carried unanimously.

Ms. Barnette: I think it is cleaner for the record for us to take action on the project.

The next order of business is preliminary/final plat review for the TimberCreek Club House Subdivision.

PRELIMINARY/FINAL PLAT REVIEW:

THE CITY OF DAPHNE
PLANNING COMMISSION MINUTES
REGULAR MEETING OF FEBRUARY 25, 2010
COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

File SDPF10-01:

Subdivision: TimberCreek Club House

Zoning(s): B-2, General Business

Location: On the south side of TimberCreek Boulevard three hundred and fifty-five feet West of Green Court

Area: 11.47 Acres \pm , (2) lots

Owner: TimberCreek Investments, L.L.C. - Larry Waldrep, Manager

Engineer: Rester & Coleman Engineers - Joel Coleman

An introductory presentation was given by Mr. Joel Coleman, representing Rester & Coleman Engineers, requesting preliminary/final plat review of an eleven-point four seven-acre subdivision consisting of two lots located on the south side of TimberCreek Boulevard three hundred and fifty-five feet West of Green Court. On behalf of the owner, TimberCreek Investments, I would like to respectfully withdraw the application for the TimberCreek Club House Subdivision.

Chairman: So you are withdrawing the application?

Ms. Barnette: Can you tell us why you are withdrawing the application?

Mr. Coleman: I told the owner that I would.

The next order of business is preliminary/final plat review for the replat of lots 65 & 66, TimberCreek Subdivision, Phase Seven.

File SDPF10-02:

Subdivision: Replat of Lots 65 & 66, TimberCreek, Phase Seven

Zoning(s): R-3, High Density Single Family Residential

Location: Northwest of TimberCreek Boulevard on Pine Run

Area: 1.74 Acres \pm , (1) lots

Owner: Brad Vegas

Surveyor: GeoSurveying-Matt Kountz

An introductory presentation was given by Mr. Brad Vegas, the owner, requesting preliminary/final plat review of a one point seven four acre subdivision consisting of one lot located northwest of TimberCreek Boulevard on Pine Run. I would like to replat lots 65 & 66 into one lot because the property has a plateau in the front of the lot, as well as, a large drainage and utility easement and drop-off located at the rear of the property. It is a very dramatic drop so my thinking was to move the proposed home to the front of the lot. I have presented and received approval for a variance from the TimberCreek Architectural Board for the front setback. I will be happy to answer any questions you may have.

THE CITY OF DAPHNE
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COUNCIL CHAMBERS, CITY HALL - 6:00 P.M.

Chairman: So are there any easements which need to be vacated or is it just the removal of the property line?

Ms. Jones: No sir.

Chairman: In this case, we are just combining two lots. He opened the floor to public participation. With no adjacent property owners present, he closed public participation. Do any of the Commissioners have any questions or comments? If there is no objection, the Chair will entertain a motion.

A **Motion** was made by Ms. Barnette and **Seconded** by Ms. Phelps **to approve the preliminary/final plat for the replat of Lots 65 & 66, TimberCreek Subdivision, Phase Seven. The Motion carried unanimously.**

The next order of business is preliminary/final plat review for Belle Point Subdivision.

File SDPF10-03:

Subdivision: Belle Point

Zoning(s): *RSF-2, Single Family Residential, Baldwin County District 15*

Location: North of the intersection of Belgrove Estates and Alabama Highway 181

Area: 2.98 Acres \pm , (5) lots

Owner: William New

Engineer: Engineering Development Services - David Diehl

An introductory presentation was given by Mr. David Diehl, representing Engineering Development Services, requesting preliminary/final plat review of a two-point nine eight-acre subdivision consisting of five lots located north of the intersection of Belgrove Avenue and Alabama Highway 181. We did have a few minor comments from the Baldwin County review which we have addressed, and I copied Ms. Jones on that. I will be happy to answer any questions you may have.

Chairman: Do any of the Commissioners have any questions or comments?

Ms. Barnette: I apologize because I was not present at the site preview meeting. Can you go over the comments you received from Baldwin County review regarding fire hydrants? I do not have a copy of those comments.

Mr. Diehl: We were asked to show the location of the fire hydrants.

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Ms. Barnette: Have the comments been adequately addressed with Baldwin County and are you satisfied? Do they also meet our code?

Ms. Jones: Yes. They have satisfied our code and theirs.

Chairman: He opened the floor to public participation. With no adjacent property owners present, he closed public participation. Do any of the Commissioners have any further questions or comments? If there is no objection, the Chair will entertain a motion.

A **Motion** was made by Ms. Barnette and **Seconded** by Mr. Terry **to approve the preliminary/final plat for Belle Point Subdivision. The Motion carried unanimously.**

The next order of business is an administrative presentation for the South County Highway 64 Sanitary Sewer Project.

ADMINISTRATIVE PRESENTATION:

An introductory presentation was given by Mr. Doug Bailey, representing Hutchinson, Moore & Rauch, for the South County Highway 64 Sanitary Sewer Project. I am here representing the City on this project. Approximately four years ago the City applied for an ADECA CDBG grant in which the City is providing matching funds. The project consists of the installation of a gravity sanitary sewer line, a force main, a pumping station, and connections to approximately eighty-five or six residences which existed at the time of the grant application. These structures are located mainly along Highway 64 between Bailey Street and Pollard Road and within the community that lies to the south of this portion of County Road 64. There will be some areas which will have to be on a grinder station due to the terrain. We have had discussions with Mr. Eady regarding the project, and he had expressed concerns regarding repaving the disturbed areas. We have added a plan sheet you may have that addresses that. Therefore, we have agreed to repair the roads in the affected areas and repave the streets to full width in order to meet the City's paving standards. I will be happy to answer any questions you may have.

Chairman: Do any of the Commissioners have any questions or comments?

Ms. Phelps: I would like to cover again what we learned at the work session. You indicated you would go out to bid on the project in March 2010 so when do you expect the project to be completed weather permitting?

Mr. Bailey: I went back and discussed this with our construction manager and even with the changes made to the project it should be some time in late summer or early fall.

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Chairman: I only have one concern or question about the project and that is back fill material. I think you know where I am going with this.

Mr. Bailey: The pipe will be installed and gravel installed six inches or above, a select material above that, and then a geo-technical material will be used after that. We did some test bores last week, and it seems to look good. If we have to dig back for safety the full width of the road will be filled six inches or above with rock. We will let that weather and then we can come back and do the leveling portion.

Chairman: I just wanted to make sure if it is back filled it is safe.

Mr. Bailey: Yes sir.

Chairman: Do any of the Commissioners have any further questions or comments?

Chief White: How many residences did you say there are?

Mr. Bailey: I believe there are eighty-four.

Chairman: Do any of the Commissioners have any further questions or comments? If there is no objection, the Chair will entertain a motion.

A Motion was made by Ms. Phelps and Seconded by Mayor Small to approve the South County Highway 64 Sanitary Sewer Project. The Motion carried unanimously.

The next order of business is an administrative presentation regarding the Park at Whispering Pines apartment complex.

An introductory presentation was given by Mayor Small regarding the forty thousand dollars contribution given by the developer, Mr. Bill Lewis, of the Park at Whispering Pines apartment complex located at Whispering Pines and Pollard Roads to be used toward the round about in lieu of the traffic signal. You can see the letter contained in your book. Back when we approved the project for the Park at Whispering Pines apartment complex, we received a donation to improve the intersection at Whispering Pines and Pollard Roads. If you look toward the bottom near the last three or four lines, he has asked me to insure him if they buy additional property to expand the complex the City of Daphne will not ask for an additional money for this improvement. I felt like I could not make that decision on my own since this body had required the donation for the installation of a traffic signal. I wanted to bring this issue back to this body to see how you wish for me to address this matter. I would like to get a motion as to how you wish for me to proceed and then I will take it from there.

Chairman: I understand we already have a commitment from them. This letter is talking about the additional funds required for the traffic signal.

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Mayor Small: They are fine with us using the donation they have made. If he, Mr. Lewis, wants to buy additional property to the east or the south for the expansion of the apartment complex he wants to be assured he will not be asked to make another donation. That was a requirement made by the Planning Commission so I do not feel like it was right for me to say yes or no to his question.

Mr. Chason: If my memory serves me right, I remember the overall cost was approximately ninety thousand dollars. We asked for a donation from Seaman Capital and the property owner to the south. We asked them to discuss it and come up with a proposed ratio based on each development, then Seaman Capital came back and proposed the donation of forty thousand dollars. I supposed this amount was based a contribution from both of them for a traffic signal. Now that it is proposed to be a round about, I do not have a problem with that.

Ms. Barnette: I know we have discussed this before, and I thought it was awkward to ask for the donation. Therefore, I have no problem with releasing them from any further obligation because I was not comfortable with asking for it in the first place or requiring them to do something further that we may or may not have done.

Ms. Phelps: Mr. Chairman, I am going to take the opposite view. If the parcel to the south is developed in such a way it impacts the intersection, then I think we should reserve the right to ask for an additional contribution. I just wanted to throw that out there. In the beginning, the developers were presented with two different situations.

Ms. Barnette: Mr. Chairman, I would really like to state a rebuttal. This is something we normally do not do. I think this is something the Planning Commission and the City Council may not want to continue to do. I would really like to close that chapter.

Chairman: In the past we have required a development to provide a traffic study and based on that study we have required acceleration and deceleration lanes. To me, a traffic signal is not that much different. However, we are not doing a traffic signal. It is an existing building(s), and there will be no further improvements made to this intersection so I do not think we can ask for another contribution. It is already built so it could not be done, in my opinion.

Ms. Barnette: Normally, the developer does the improvements. In this case, the funds were donated, and it took some time for us to figure out what we were going to do with it. I have not been comfortable with requiring the developer to do something is one thing, but to ask them to donate money to the City to do the improvement is another thing.

Chairman: Do any of the Commissioners have any questions or comments? If there is no objection, the Chair will entertain a motion.

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A Motion was made by Mr. Chason and **Seconded** by Mayor Small *to authorize the City of Daphne, Fred Small, Mayor to draft correspondence to Mr. Bill Lewis, Seaman Capital, L.L.C., the owner and/or developer of the Park at Whispering Pines which states no further contribution shall be expected for improvements to the intersection of Whispering Pines and Pollard Road. Ms. Phelps opposed. The Motion carried.*

The next order of business is an administrative presentation for an amendment to the Daphne Land Use and Development Ordinance.

An introductory presentation was given by Ms. Adrienne D. Jones, Director of Community Development, of the proposed amendments to the Daphne Land Use and Development Ordinance.

Chairman: I think we have done this, but before we start I am going to ask if there is anyone in the audience who would like to address the Commission with an issue dealing with the Land Use Ordinance? At this time, I do not know how many of you wish to speak so we are going to ask you to limit it to three minutes if you can make your comments in that time. Please state your name for the record.

Mr. Spriggs: My name is Kevin Spriggs. I am a business owner in the City of Daphne. One of the problems is the Sign Ordinance. You can hardly find a business owner in the City of Daphne that has not complained about the Sign Ordinance. It is one of the things that is crippling our economy. So at this time, your choice to not address such a open wound is a failure of this Planning Commission. Thank you.

Chairman: Just to let you know the Sign Ordinance is going to require quite a bit of work so we were trying to get this out of the way so we could deal with the Sign Ordinance. We have gone through this, and we have a list of the items we need to address. At this time, I am going to ask Ms. Jones to speak.

Ms. Jones: You have someone else who wishing to speak.

Chairman: I'm sorry I did not recognize you wanted to address the Commission.

Mr. Avent: My name is John Avent. I am the owner of Engineering Development Services. I did not really want to speak to be honest with you, but I guess I need to. I have to apologize to this Commission and Ms. Jones. For everyone that has been dealing with this Ordinance, I know it has been a long and lengthy process. However, I have just had a chance to review it since it has been published. I have read through it and made comments on it. I think the professional engineering groups should have been more involved with the process because if it is adopted we will be the first one to gripe about it. I guess the main thing I wanted to say is that I do have some recommendations and some concerns. I do think you need to have a professional group to review this before you proceed on.

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Chairman: We have been nearly three years doing this. Article XVIII is the section an engineer deal within regard to storm water drainage, and I thought a questionnaire had been given to the engineers to get their response.

Mr. Avent: Let me address that. We got to see the drainage part only. I know we have asked for a draft copy and did not see one until you were comfortable with where it is today. When we received the notice, we had a meeting in our office to discuss it. If I am wrong, then I am wrong. If I am then I was totally unaware of it. I will keep on apologizing for not reviewing it until now, but it does have some problems. It creates a lot of problems not only for the Planning Commission, but for development in the City of Daphne. There is a lot more to it than the drainage, Mr. Chairman. I handle developers and development. I am very passionate if this Commission passes this Ordinance that it will be very costly to do business in the City of Daphne. I am very concerned about this Ordinance, and it may just be that some of it can be clarified.

Chairman: I am sorry you did not get an invitation, but we advertised the public hearing in the newspaper. We are basically trying to get this passed on to the City Council.

Mr. Avent: May I ask how long this has been published?

Ms. Jones: Since December 2009. That is when I sent out the notice to your office and other engineers in the City of Daphne.

Mr. Avent: The copy we have is dated for January 2010.

Ms. Jones: The notice was sent out in December 2009 prior to the presentation of the final draft. The notice was given to your office via email. After no response, we still asked and did not get anything. If you had a meeting in your office, I would have liked for you to bring those comments tonight to discuss them with the Planning Commission. We have not hidden this. We have had several meetings that were published and contacted everyone we could contact. I would like you to know we did invite Engineering Development Services.

Mr. Avent: I appreciate that. I apologize. The document may not be a problem today, but it may be in the future.

Chairman: There is no such thing as a document that will please everybody. I have tried to tell the Planning Commission the same thing. We can work on it for the next five years, and it still will not be perfect. If we have issues, then we will have to move on and deal with them as they come.

Mr. Avent: Thank you.

Ms. Barnette: Mr. Chairman, may I ask a question? Are you not willing to share with us some of those concerns?

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Mr. Avent: I apologize. I did not bring it. It ranges from comments on landscape requirements, building sidewalks prior to the construction of a home, and the requirement for fifteen percent of green space. A property owners' association cannot afford to maintain five percent of green space and the installation of the landscaping is going to be required. It is going to be a major issue to have to provide fifteen percent of green space with the cost of landscaping and the responsibility of maintenance. I can understand the concern, but I would not develop anything. I would be scared to death to try to do a development.

Chairman: The reason we put the sidewalk requirement in there is because the sidewalks are never completed. The problem is not the maintenance of the existing sidewalk, but rather the connection and completion of sidewalks in the development.

Mr. Avent: The environmental portion of the regulations are open to interpretation. If you deem that someone is in violation, they have to do a mitigation plan with the Corps of Engineers and ADEM and submit to the Planning Commission for review. They could be shut down for about a year trying to get the problem resolved. If during the time you are not working on the site you have a five-inch rain event, then that could shut it down even longer. I am telling you it can be very scary. I guess you have never been in the shoes of a developer because it is scary to begin with because there are a lot of risks involved. I can tell you I have been doing this for twenty-five years, and there are some issues in there which could cause havoc for a developer and property owners.

Chairman: Is there anyone else who wishes to address the Commission?

Mr. Broom: My name is Kent Broom. I am a landscape architect which has been practicing in this area for more than thirty years. I have worked with Mr. Eady on this for many years. He does not have any experience in landscaping or plant materials so he relied on me to ask me questions. The City of Daphne a few years back changed the Ordinance to require that a landscape architect submit the landscape plans. I agreed with that decision, but I did not initiate that. You have revised the Ordinance to close up the loop holes so someone knows what is and is not correct. The biggest issue is communication between the engineer, architect, and the landscape architect. The first question that you ask the owner or agent is what is your budget, and you design the plan around the budget. All Mr. Eady did is eliminate all of the grey areas to make it very clear what was required. We have to plan for the future because we cannot stop in the middle of the road and back up. This Planning Commission is here to serve the public, provide for the future, and the future's future. The regulations say this is the minimum requirement. Ms. Jones has been working very hard to clarify this. It all boils down to public safety, public awareness, and to what the public wants to see.

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Mr. Broom: With every job that I have designed in the City of Daphne, I have had trouble with contractors with the bond, plant material and irrigation. Mr. Eady will back me up on that. It does not make sense to lower the standards because then who is going to make them follow them. There is absolutely no one on staff that is qualified to do a landscaping inspection. The job of the landscape architect is to inspect and advise of the completion of the project.

Ms. Barnette: This is kind of new territory to have a presentation and to get questions back so you do not have to answer the question if you do not want to. In the work session, we touched on this a little bit as to how from the Planning Commission to the installation level how the plan changes. Can you explain how that happens? A landscape plan is presented to the Planning Commission and is approved, the project is under construction and the budget is changed, and the plan is modified. Do you see a lot of that?

Mr. Broom: Once the landscape plan is approved by the Planning Commission that is it. The reason why is the plan is submitted to the owner and his signature is on it. Once it goes into the installation phase and there is a conflict, then it will be reported to Adrienne, resolved, and the development will move on. The landscape will be installed, inspected, and a Certificate of Occupancy will be given. When it was inspected before, I have gone to Mr. Eady and told him this is not correct. He told me contact the contractor to tell him what needs to be done. The contractor has gone back and did what he needed to do or Mr. Eady said Kent let it go.

Mr. Young: Mr. Chairman, may I speak. My name is Johnny Young from Coastal Exposures Landscape. I have been in the landscape business in this area for fourteen years. In 2002, the revised Land Use Ordinance including landscaping was adopted. Like Mr. Broom said, the requirements for a landscape are all laid out in black and white. Landscape design is what my degree is in, but when I submit a set of plans to the City of Daphne I have to have the plan signed by a landscape architect. I agree with him on that aspect. I would not want you to open it up for everyone that has a state license. That is not what we were proposing for you to do. I did want to show up to say thank you for your consideration and to answer any questions you may have.

Chairman: Is there anyone else who wishes to address the Commission? If not, Ms. Jones you may take over.

Ms. Jones: What Nancy has done is placed in a power point presentation each point Ms. Barnette had presented to you. We can go point by point or item by item to get a consensus or direction from you. With regard to Mr. Chason's comment, the City Attorney has addressed it. It is not listed on the power point, but we will also get to that.

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Chairman: Mr. Chason has added verbiage to that.

Ms. Jones: I do not have that. Ok, let's move on. This is two items in which we need to add definitions. Later there will be two more for an exception and a waiver. The first item is number 1.

Commission comments and discussion of the following sections:

Item Number 1:

Do we need a definition and what constitutes a private road?

Proposed definition: A private road is one which has not been accepted and granted legal status as a City right-of-way or street in accord with 17-4 h.

Chairman: Is there any opposition to adding the private road definition?

Mayor Small: Mr. Chairman, if I could the book used to say if someone wanted to construct a private street it could be thirty feet wide and a City street would have to be sixty feet wide. Now the book says a private easement or street needs to be fifty feet wide. Do we need to address that in order to go back to the thirty feet?

Chairman: The problem with that is at some point a person may petition the City for acceptance and the road would only be thirty feet.

Ms. Jones: You have the ability to accept the right-of-way with less than fifty feet.

Chairman: Do any of the Commissioners have any questions or comments?

Ms. Jones: The next item is number 2. This item is talking about the advertisement or posting of a sign on the property for agenda items in which public participation is not required. This would be when a master or site plan is to be considered.

Item number 2:

Section 6: I thought we agreed to add language regarding the posting of signs, public notice, and public participation on every agenda item, as well as, for master plans.

The Planning Commission consensus was to post signs where State statute requires public notice. It is stated in Articles 14-4 f, 15-52 b, 36-3 f, 37-10 d regarding posting notice of site plan review. An applicant shall be responsible for posting a sign providing public notice of site plan review. Failure to post said sign fifteen (15) days prior to Planning Commission review shall cause the application to be withdrawn from the Planning Commission agenda.

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Ms. Phelps: This would be a way to get the public the information ahead of time.

Chairman: If an applicant is required to post a sign stating an application has been made to the Planning Commission for site plan review. My only concern is that it is not allowed to be an advertisement sign for a business. Until this body approves a site plan, the applicant is not allowed to put up an advertisement sign so I do not think it should be allowed.

Ms. Jones: It would be the applicant's responsibility and not ours. It will only be our responsibility to post the ones that are required by law.

Chairman: If we require the sign, it would need to be modeled after the zoning amendment sign.

Mr. Chason: If we do this to encourage more public participation you may at time not have anyone at the site preview meeting, but in other cases you may have a room full of people. If you do not want to have public participation at the work session that is fine with me, but when the public is present it keys me to look a little closer and to do my homework on that project.

Chairman: You could have the applicant to post the date for the site preview and regular meeting.

Ms. Barnette: The sign would be required to be posted providing public notice fifteen (15) days prior to the site preview meeting.

Mr. Chason: The sign will advise you that an application will be submitted to the Planning Commission, but does it tell you there are two meetings you may attend?

Chairman: You can require the applicant to put that information on the sign.

Ms. Barnette: The request for public notification is for two items and that is a site plan and a master plan review. When a master plan is presented and approved, right after that a site plan is presented and the property owners come out for the site plan for public participation, but did not get an opportunity to speak regarding the master plan. I would like to formally require public participation for a master plan.

Chairman: Any problem with that Ms. Jones?

Ms. Jones: No, but I did want to say since you have talked about having citizens come to the work session, we have changed out notice letters to reflect that.

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Chairman: Are we going to talk about the language?

Ms. Jones: By the time the Ordinance gets to the City Council the Planning Commission can devise the language and filter it through my office.

Item number 3:

Definition of Rooming House:

Ms. Jones: With regard to the removal of all of the provisions for a rooming house, we have added bed and breakfast which are essentially the same.

Chairman: A boarding or rooming house and a bed and breakfast are two totally different things.

Ms. Jones: Because one of them is long term and the other one is short term?

Chairman: Boarding house is usually long term with meals served in the morning and at night.

Ms. Jones: Ok, then is it your consensus to remove that?

Ms. Barnette: I thought we had agreed to remove the definition of a rooming house.

Ms. Jones: It is already defined so would you like to eliminate this in the Ordinance?

Chairman: Just because it is defined in the Ordinance does not mean it is allowed.

Ms. Jones: So you want to leave the definition and delete all other references in the Ordinance?

Chairman: Yes.

Item number 4:

Ms. Jones: This is the addition of definition for a waiver and exception which I copied from the red book of definitions.

Waiver: Permission to depart from the requirements of an ordinance with respect to the submission of required documents based upon findings and conclusions of the Planning Commission.

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Exception: Relief of design standards on non-zoning requirements in the ordinance by the Planning Commission. An exception is often referred to design standards such as cul-de-sac length, location and type of improvements, or landscaping requirements. They are dictated by the circumstances related to the specific application that makes the design requirement for which the exception is requested unnecessary or unreasonable.

Chairman: Is there any opposition to the addition of the definitions for a waiver or an exception?

Item number 5:

Ms. Jones: This addresses the setbacks of an accessory structure in a residential district.

Article 9-12: Request to generalize the setbacks of accessory structures in all residential districts to five (5) feet.

Ms. Barnette: Can we come back to that? The comments were just my opinion since we have already gone through this a couple of times.

Chairman: I understand what your concerns are. You would like to leave the R-1 and R-2 accessory structure setback at twenty (20) feet, but you have lots in those zones which do not meet the size requirements for that district. The Building Official is the one who asked us to clarify this. Is there any opposition to the change to a five-foot setback?

Item number 6:

Ms. Jones: Request to establish a height requirement above the building for a mechanical structure in all districts.

10-4: Fifteen (15) foot mechanical structure height limit in all districts.

Chairman: The high rise district is the only section that specifies a height limit for a mechanical structure.

Ms. Jones: Your first section that mentions a height requirement says parapet walls and mechanical structures are exempt. It does not state a maximum height requirement. My suggestion is to set a maximum.

Chairman: I think establishing a height limit of five feet would be fine, except for the high rise district.

Ms. Barnette: Except where otherwise noted.

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Ms. Phelps: The otherwise noted is fine with me.

Mr. Chason: Can we add otherwise with Planning Commission approval if there is something that we have not thought about?

Mayor Small: Exactly what are we looking for in Olde Towne Daphne District?

Ms. Barnette: It would be where otherwise noted.

Chairman: The height limit would be five feet above the parapet wall.

Ms. Jones: I do not think that section is not written that way. It says from the roof and not above the parapet wall.

Chairman: We do not have to make a requirement applicable to all zones. The fifteen feet should not be in the Olde Towne Daphne District.

Ms. Barnette: That is my point exactly.

Ms. Jones: The reason that it is in there is I was trying to make the Ordinance consistent. That is the reason we are doing this to make sure this needs to be in there.

Mayor Small: I just want us to make sure we know what we are doing.

Chairman: This section does not have to be consistent. It does not need to be in the Olde Towne Daphne District. Is there any opposition to the change to a five-foot height limit?

Ms. Jones: This is talking about billing a developer to inspect a subdivision and review another engineer's plans. Ashley has come up with language to address that.

Item number 7:

Article 11, Section 11-9:

We talked about the City billing a developer for engineer to inspect a subdivision? Isn't this where we discussed the fee if a project is not in noncompliance with plans and enforce a penalty? Recall exploring the possibility of hiring an in-house engineer. No further discussion was made about requiring City engineer to inspect subdivisions or review engineering plans.

The penalties for noncompliance are discussed in Article 18-7, 2, Notice of Violation. Regardless of whether or not the City hires staff, didn't we decide we wanted the option to bill developer for third party review?

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Chairman: If we are asking an engineer to certify that a set of plans is done in accordance to the regulations, then why do we need to hire another engineer to review his plans?

Ms. Barnette: I will address this because it was on my list. We had talked about it because there isn't an engineer on staff at the City of Daphne. I was not talking about a site plan. This would be for a set of construction plans for a subdivision when a set of plans comes forward. This has been discussed, but this has never been resolved.

Mayor Small: I am not sure if we need to charge or not. We can always come up with a fee, but I think we need someone to look out for the City's best interest.

Chairman: You would not be able to use an engineer that would review plans and submit plans for review. You would have to get someone else like a retired engineer.

Mayor Small: I understand.

Chairman: We did not want to put something in the Ordinance we would be obligated to require.

Mr. Chason: Isn't the language contained in a signature block for the engineer to address this?

Mr. Ross: That has not changed yet, but that would be one way to handle that.

Ms. Campbell: During our last meeting, the firm which is handling our watershed management plan recommended that at some point we get an engineer to review plans and drainage calculations. There is a failure somewhere because what is shown on the plans has not been done. There are a lot of inconsistencies with what is shown on the plans and what is in the field. If we were to require an as-built for a site plan and a subdivision, then we would have a much better product. The watershed management plan recommends that you have some type of language in the Ordinance to address that. As we progress through the years, we will have more and more requirements from ADEM. We need to make sure we are prepared to address the issues, especially with near 303D streams.

Mr. Chason: We will have to know what they are.

Ms. Campbell: There will be a list in your book.

Mr. Chason: In our Ordinance.

Ms. Jones: It will be a supplement to your Ordinance.

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Ms. Campbell: They are redrafting our MS-4 permit, and we will be required to do a lot more than we are doing now. The additional requirements placed in the book are regulated by this permit.

Mr. Chason: What is an MS-4 permit?

Ms. Campbell: It is an ADEM mandated permit which came down from the EPA and ADEM regulates it. The City is responsible for any storm water that discharges into our ditches or streets in the City of Daphne. The City is required to follow the regulations outlined in that permit.

Chairman: Are you going to put the language you have created in this Ordinance?

Ms. Campbell: It is ready to be inserted into Article XVIII?

Ms. Jones: It is your decision whether to insert it or not. It would only be required when you are developing near a 303D stream.

Mr. Chason: It would require what and by whom?

Ms. Jones: It would require an additional review by an engineer.

Mr. Chason: And paid for by whom?

Ms. Jones: I do not know. It would be either by the owner or the developer? Think about it. If you knew your plans would be reviewed by another engineer, then you would do a real good job of convincing the Planning Commission they are right.

Ms. Barnette: It would not be a requirement. It would be an option.

Ms. Campbell: So do you want to put it in there, Mr. Chairman?

Chairman: We can put it in there. You can say we may require it and ask the developer to pay for it.

Ms. Jones: For item number 8, with regard to the references to irrigation wells and WHPA, where do you want me to place the references for these?

Item number 8:

Sections 11-12 and 10-10: Do we need to reference irrigation wells and WHPA? I need a suggestion on wording/placement of language.

Ms. Barnette: We have discussed it, but have not added the language for the permitting and location of an irrigation well and the well head protection area.

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Ms. Jones: If someone wants to install an irrigation system in that area, would he be permitted to have it?

Mr. Chason: He would be able to have it, but would not be able to drill into the same area the City draws from. It would be a shallow well.

Ms. Barnette: I do not think we have adequately addressed this yet. I think that needs to be clarified.

Mayor Small: Do we have the maps?

Ms. Jones: We do have the maps.

Chairman: We can just say if you are located within a well head protection area you are required to register or acquire a permit from the Utilities Board of the City of Daphne.

Mr. Chason: They are located within one mile from where the City drills potable water.

Mayor Small: I disagree with regulating and permitting it to interfere with a person's property rights.

Item number 9:

Well head treatment for water disposal.

Inaudible.

Item number 10:

Article 13, Section 13-1:

We discussed moving public buildings including schools to conditional uses. This discussion is when we learned the Board of Education does not have the authority to bypass the Planning Commission. They are only exempt from building code and inspections. I believe this needs to be captured in the Ordinance.

Ms. Barnette: This section is talking about the presentation of a public building for the Baldwin County Board of Education. They told us they did not have to come to the Planning Commission for review and approval of their site plan. We do not have the authority to regulate the building location itself, but we do have the authority to uphold the code, the land, and everything else. That is in the purview of the Planning Commission. I absolutely want this in this section in the book. They pulled a snow job on us, and it has taken us a lot of research to get it in here. We need to fix that and put it in this Article. What section we put it in I do not care, but I want it in there.

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Mayor Small: Especially for drainage, the retention pond a the school does not serve any purpose at all.

Chairman: Then it would be a conditional use.

Ms. Jones: It would not be a conditional use.

Chairman: Then would it fall under Planning Commission approval under any zone? Is that what we are doing?

Ms. Jones: So we are going to put public schools under Planning Commission approval?

Ms. Campbell: I just wanted to say they are willing to do it now.

Mayor Small: Then they were not willing to. You need to put something in there anyway.

Chairman: Do you have that Adrienne?

Ms. Jones: Yes.

Item number 11:

Section 13-7: The old height language needs to adequately address and close the loophole previously utilized during the Apalachee Residential Community project debate.

Ms. Barnette: I had understood the Planning Commission and the City Council did not want the exception for height to no longer go to them. In the High Rise District, an applicant would not have to get a height exception because there was a definitive limit set. Now we have put it back in the book to require a height exception in each zone including the overlay districts. That is not where I remember us leaving the discussion, and that is not what I want to do.

Ms. Jones: This is not something new. This is something that is currently in the Ordinance.

Chairman: So do you not want to do a height exception at all?

Ms. Jones: So what do you want to do with it? Do you want to change it or take it out?

Ms. Barnette: You definitely can take it out of the high rise district. I remember the City Council saying they did not want to do it anymore, but I could not find the minutes. The question is how do we remember it, and what do we want to do with it?

Mayor Small: Do you mean to grant a waiver?

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Ms. Barnette: Ms. Jones and I talked about setting the height limit to seventy-five feet.

Chairman: So you could have the fifty feet now without asking for anything?

Mayor Small: So the Planning Commission could set the limit and grant the exception if a hotel wanted to go two stories higher?

Chairman: Then would you only want to do this in a B-2 zone?

Ms. Barnette: I think you can do it there and in a multi-family residential zone, as well.

Mr. Ross: I think you cannot limit it only to a B-2 zone. You would have to do a B-2, General Business, and a R-4, High Density Multi-family residential, zone.

Ms. Barnette: You would not want to set this to a limit which would create non-conforming uses. If you set it at seventy-five feet that would cover existing structures.

Chairman: This would set the limit to fifty feet and the Planning Commission would be the one to grant the exception in a B-2, General Business, zone and R-4, High Density Multi-Family Residential, zone up to seventy-five feet. Is that correct?

Ms. Barnette: Yes.

Item number 12:

Article 14: Was it the intent of the Olde Towne Daphne District to phase out B-2 zoning? If so, shouldn't the reference have been stated in the Ordinance?

Chairman: It was never the intent of the overlay district to phase out B-2 zoning. The district was created to relax the requirements which could not be met in the existing zoning districts in this area. Since B-2, General Business, businesses exist in this area presently, I do not see how you could phase it out.

Item number 13:

14-17: We do not have authority to grant height exceptions. This should not have been re-added. We need to stipulate that any district will not exceed fifty(50) feet in height.

Addressed in item number 11.

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Item number 14:

Section 19-8: Should we add the requirement for green belts for any developments along Pollard Road, Whispering Pines Roads and County Road 64?

Ms. Jones: These are called nonresidential city streets in Section 19-5 and may be required also to provide a green belt. Melvin McCarley, the Superintendent of Public Works, questioned also if a tree permit was required by an owner of property which is located on a nonresidential street. He requested clarification on that.

Mayor Small: We should not be issuing permits in residential areas.

Chairman: Tree permits are to be issued for only the commercial areas in which there is a tree protection zone, except for a protected significant tree.

Ms. Barnette: If we require a buffer zone or green belt, then we would not have the situation like we did with the Park of Whispering Pines. I do not think any of us realized with the setback how close the development would be to Pollard Road.

Item number 15:

Section 19-9: No buffer is required where a business abuts multi-family. The language specifies for an existing multi-family residential land use.

Ms. Jones: This language is in response to the Ashley Gates Apartments zoning amendment request to rezone a strip of property from a B-2, General Business, to an R-4, High Density Multi-Family Residential, zone. The adjacent property owner Mr. Nelson would have to install a buffer if his property was used as a business zone and not as a residential use. Ashley Gates Apartments had already built a buffer, Mr. Nelson's contention was it should be necessary for a business to come along and build another abutting buffer.

Ms. Barnette: A buffer should be required between an apartment complex and a business use.

Mr. Chason: Can't a buffer consist of landscaping or a fence?

Chairman: Yes.

Mr. Chason: Because a planting or landscape buffer would not be sufficient for a project in the High Rise District.

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Chairman: A buffer shall be required. Is there any opposition to the addition of a green belt?

Item number 16:

Section 19-12: Should we require landscaping (shrubs) to be installed in detention areas or just vegetation?

Ms. Jones: This is in response to the comment that trees or shrubs should not be required around a detention pond.

Chairman: I do not see the purpose of the installation of landscaping around a detention pond because you are not going to make one pretty or hide it. It is a detention pond.

Mr. Chason: Not only that, but the trees of the caliper you would need to install around a detention pond are very expensive for a developer and/or owner.

Chairman: They should not be landscaping around a detention pond unless it is a retention pond and is used as common area.

Item number 17:

We need to encourage bio-retention, provide incentives for the use of it, give a definition, and outline the means to implement such measures. This would be a good topic for the next revision.

Item number 18:

Article 22, Section 22-2, the Reversionary Clause: Were we going to say only one of the three items listed would be required to maintain a zoning classification? What if a site is rezoned, but has common detention?

Ms. Jones: This section says a property shall revert back to prior zoning classification after a one year time period from the date of approval by the City Council, if development of the property has not occurred. Wording may be added to the effect, where it is found that neither of the three items listed above exist on the site at the time of rezoning, then the property shall revert after the prescribed time frame unless construction of the primary building is underway by the reversion date. Right now the loop hole is these three items are only required to be installed in the right-of-way. I would prefer the removal of "in the right-of-way." The intent is to encourage development on the property. So my question is what do you deem as development on the property? Is it the commencement of construction or the installation of improvements to the property?

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Mr. Chason: I would say that it could be that the installation of improvements to the property in the right-of-way would be deemed construction because the developer has expended money to improve the property for development. A year is not sufficient time for the development to have begun.

Item number 19:

Article 23: Do we need to add language property will not be annexed into the City of Daphne at another use classification other than R-1?

Ms. Jones: Article 23-2 says any annexed property would be automatically classified as R-1, Low Density Single Family Residential. I was asked to remove the term automatically. I thought the consensus was not to allow for a zoning district other than R-1.

Mr. Chason: A developer is not going to want to annex a piece of property into the City of Daphne with R-1, Low Density Single Family Residential, zoning and then submit a zoning amendment application to rezone the property to a zone for his intended use. There may be a time restraint or the applicant may not get the zoning classification for the intended use he had in mind at the time of the petition for annexation.

Ms. Jones: The applicant may run the applications consecutively so he may get the feel for what action the Planning Commission and the City Council may take.

Mr. Chason: What if the annexation is accepted, but the zoning amendment is not approved? Then the applicant is annexed into the City of Daphne with an R-1 zoning classification. Can he withdraw it?

Mr. Ross: I think once the action is taken by the City Council, then it is official. The applicant would have to petition for de-annexation by resolution which must be accepted by the City Council.

Mr. Chason: As in the case with the Eastern Shore Subdivision, the developer has to know for sure he is going to get the zoning classification he needed for the use intended.

Ms. Barnette: In this case, you would not be able to use the reversionary clause because it is for annexation not rezoning.

Ms. Jones: If the applications are presented at the same meeting I think by the time the City Council is prepared to take action on the annexation and rezoning, the applicant would know whether or not the rezoning is going to be approved and could withdraw it.

Mr. Chason: Well, I do not think if an applicant has a use in mind for his property, he is not going to annex into the City of Daphne and take that chance.

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Ms. Jones: The Ordinance says property shall be annexed as R-1. I do not know how the two applications became one.

Mayor Small: The applicant can do that because the application has an area in which you can request a zoning designation.

Chairman: Ms. Dickson.

Ms. Dickson: The City Attorney put the applications together so when an applicant presented an application for annexation he may ask for a specific zoning classification. Also, if it is presented as a petition for annexation there is no cost associated with it nor does it requires notification of the adjacent property owners.

Item number 20:

Article 33: Propose corrected language regarding interstate corridor signage in the Eastern Shore Overlay District from the City Attorney.

Mr. Ross: I would like to discuss a revision to the Eastern Shore Overlay district signage which addresses the issue we had with the Interstate Pylon Sign.

Mr. Chason: Why don't we add language which prohibits Interstate 10 as being a right-of-way in which a monument sign for the development may be installed?

Mr. Ross: Ok. That would resolve the issue.

Item number 21: Discuss the increase of the cost for reversionary clause extension request.

Suggested cost of extension shall be five hundred dollars (\$500).

Item number 22:

Article 38: Discuss change to height exception because it has not been viable yet.

Addressed in item number 11.

Item number 23:

Public access requirement: Elaborate on the fact that a public access located on private property would have to serve a purpose, establish the need for public access, and be specific about what the public would be allowed to do on that property.

Requires further discussion.

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Proposed addition of language to be included in Article V to address the comments and concerns made by Mr. Chason.

Mr. Ross: Ms. Gray provided to you previously a copy of the proposed language for the addition of subsection h in Article V as outlined below:

Article V, h: Shall hear and provide interpretations to applicants regarding this Ordinance, except where such authority is specifically granted to the Board of Zoning Adjustment by Article XXI of this Ordinance or by the Code of Alabama or where such authority is specifically granted by this Ordinance or the Code of Alabama to the City Council.

Mr. Ross: This language has been proposed to address the concerns Mr. Chason expressed regarding the presentation of a request to the Planning Commission to provide an interpretation for an applicant, other than which is prescribed for the Board of Zoning Adjustment, if such a situation shall arise.

Chairman: Mr. Chason has proofed the document and has provided the Planning Commission with a revision to that language.

Ms. Jones: I have not seen a copy of that.

Mr. Ross: I do not see a problem with what Mr. Chason has written. I will review it and provide a revision of the language to Ms. Jones.

Chairman: Do any of the Commissioners have any further questions or comments? If there is no objection, the Chair will entertain a motion.

A Motion was made by Ms. Phelps and Seconded by Mayor Small for the affirmative recommendation by the Planning Commission to the City Council of Daphne for the proposed amendments to the Daphne Land Use and Development Ordinance to include the additional changes discussed and recommended at this meeting. The Motion carried unanimously.

The next order of business is public participation.

PUBLIC PARTICIPATION:

No public participation.

The next order of business is the attorney's report.

ATTORNEY'S REPORT:

Mr. Ross: No report.

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The next order of business is commissioner's comments.

COMMISSIONER'S COMMENTS:

No comments.

The next order of business is the director's comments.

DIRECTOR'S COMMENTS:

Ms. Jones: No comments.

ADJOURNMENT:

Chairman: Do any of the Commissioners have any questions or comments?
If there is no objection, the Chair will entertain a motion to adjourn.

A Motion was made and **Seconded to adjourn. The Motion carried unanimously.**

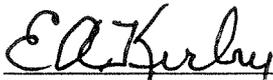
There being no further business, the meeting was adjourned at 9:30 p.m.

Respectfully submitted by:



Jan Dickson, Planning Coordinator

APPROVED: March 25, 2010



Ed Kirby, Chairman



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ March 3, 2010 ♦ 5:00 p.m.

I. CALL TO ORDER

The February 2010 regular Board meeting for the Utilities Board of the City of Daphne was held and called to order on March 3, 2010, by Chairman Robert Segalla, at 5:03 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fred Small, Mayor – arrived at 5:12 pm
Fenton E. Jenkins

Others Absent:

Others Present: Jerry Speegle – Board Attorney
Rob McElroy – General Manager
Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager
Deloris Brown – Human Resources Manager
Drew Klumpp – Administrative Services Manager
Lori Scharles – Executive Assistant
Melinda Immel – Volkert & Associates
Doug Bailey – HMR
Ray Moore – HMR

Others Absent:

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF MINUTES

a. **Utilities Board Minutes from January 27, 2010:**

The Chairman inquired if there were any corrections noted for the Minutes from the January 27, 2010, Utilities Board meeting. No corrections, additions and/or deletions were noted.

MOTION BY Lon Johnston to approve the Minutes for January 27, 2010; Seconded by Ron Scott..

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA ABSENT: SMALL ABSTAIN: MOTION CARRIED

The Chairman then revised the Agenda to accommodate for public participation in the rate increase discussion.

V. PUBLIC PARTICIPATION –

Mr. McElroy gave a correlating presentation on the proposed rate increase. Chairman Segalla offered the podium to any public participants for comments.

Mayor Small arrived at 5:12 pm.

Larry Jackson, Daphne Utilities Field Supervisor, addressed the Board and thanked them for getting the necessities for Daphne Utilities to satisfy their customers.

Vice Chairman Scott commented that since this is a public hearing to inform the citizens of the proposed rate increase and will be voted on at the next board meeting and any public input will be heard.

VI. Old Business

a. Central Services Building (Property Investigation) – Update

Mr. Speegle updated the Board on the status of the bankruptcy proceedings for the Daphne Mazda property. He stated that the Vision Bank representative gave no indication of an acceptable purchase price. Mr. Speegle noted that nothing binding has been implemented that is not subject to this Board’s approval and that he has gone as far as he can with negotiations without the Board’s direction and that other property options may be available for review. Mr. McElroy re-examined the Utilities’ needs for Central Services. Chairman Segalla suggested the two other property proposals be presented to the board. Philip Hodgson with Coldwell Banker Real Properties presented the Riley Hall property to the Board. Paige Thatcher-Moore then presented another available property parcel on Well Road. Mr. Scott requested to suspend the meeting to hold an executive session to discuss pending real estate purchases.

MOTION BY Ron Scott to go into Executive Session at 5:38 pm for discussion of pending real estate purchases; Seconded by Lon Johnston.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: MOTION CARRIED

Executive Session ended 5:53 p.m. and the regular Board meeting resumed.

MOTION BY Mayor Fred Small to authorize Jerry Speegle to notify Visions Bank that Daphne Utilities is no longer interested in the Mazda property; Seconded by Lon Johnston.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: MOTION CARRIED

MOTION BY Ron Scott to authorize Mr. McElroy and his staff to investigate the two proposed properties presented at this Utilities Board meeting ; Seconded by Fenton Jenkins.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: MOTION CARRIED

Chairman Segalla requested to hold a special meeting no longer than 14 days if possible.

b. Items in Abeyance:

- 1. **Gas Franchise Agreement** – No current information was reported.
- 2. **19 Acres – Daphne Utilities property** – No current information was reported.
- 3. **Sewer Cut-off** – No current information was reported.

VII. New Business

No new business was reported.

VIII. BOARD ATTORNEY’S REPORT

Mr. Speegle had nothing further to add to his report.

IX. FINANCIAL REPORT

Teresa Logiotatos updated the Board on the status of the Certificates of Deposits and the forthcoming action as recommended by the rate study program. She had nothing to add to her report.

X. GENERAL MANAGER’S REPORT

a. GM Report

Mr. McElroy highlighted the recent news article pertaining to Inc. Magazine’s recognition of Daphne Utilities nomination as one of the Top Small Company Workplaces in America.

b. Operations Report

Danny Lyndall had nothing further to add to his report.

Melinda Immel of Volkert & Associates updated the Board on the status of the SRF application submitted to ADEM.

Doug Bailey from HMR updated the Board on the Creekside Sewer Main project.

XI. PUBLIC PARTICIPATION – none

XII. BOARD COMMENTS – Mr. Johnston asked for an update of the sewer disconnects for non-payment. Mr. McElroy responded that the one customer who refuses to connect involves the County Board of Health as well. Drew Klumpp also informed the Board that he is working with Jerry Speegle to contact those customers with promissory notes are being reminded of their obligations. Jerry Speegle commented to either file suit to collect on the promissory note or disconnect. He deferred to the Board to let him and the staff decide or give the Board their input in order to proceed. Mr. Scott recommended pursuing the legal process first.

XIII. ADJOURNMENT–

MOTION BY Mr. Scott to adjourn the meeting. Seconded by Mr. Johnston.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: ABSTAIN: MOTION CARRIED

The meeting adjourned at 6:04 p.m.

**CITY COUNCIL MEETING
MAYOR'S REPORT**

NOTES:

STATE OF ALABAMA)
BALDWIN COUNTY)

**MAINTENANCE AGREEMENT
(CITY-OWNED IMPROVEMENTS)**

This Agreement is made and entered into this _____ day of _____, 2010 (the “Effective Date”), by and between **RENAISSANCE IMPROVEMENT DISTRICT**, an Alabama public corporation (the “Improvement District”), **RENAISSANCE COOPERATIVE DISTRICT**, an Alabama public corporation (the “Cooperative District”), and **CITY OF DAPHNE**, an Alabama municipal corporation (the “City”).

RECITALS

WHEREAS, Renaissance Center, LLC, an Alabama limited liability company (the “Developer”), is developing a mixed-use development known as Renaissance Center (the “Development”) on certain real property located in Baldwin County, Alabama, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, the Property is located within the boundaries of the Improvement District; and

WHEREAS, each of the parties hereto agrees that the use of the Property will be significantly enhanced and improved if the Improvements (as defined below) are adequately and properly maintained; and

WHEREAS, the Improvement District has agreed to provide, pursuant to the terms of the Agreement, certain maintenance services and materials in connection with the Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and subject to the terms and conditions hereof, the parties hereto agree as follows:

SECTION 1. Recitals

The above recitals are deemed true and correct to the best of the knowledge of the parties and are incorporated into this Agreement.

SECTION 2. Description of Improvements

The “Improvements” that are the subject of this Agreement are more fully described in Exhibit B attached hereto and incorporated herein by reference.

SECTION 3. Performance

The parties hereto hereby agree as follows:

(A) the Improvement District, shall provide, and be solely responsible for all costs and liabilities that are associated with or arise out of, the maintenance services and materials, as set forth in Exhibit C attached hereto and incorporated herein by reference, for the Improvements (collectively, the “Maintenance Services”); and

(B) the Maintenance Services shall be provided by the Improvement District in a competent and professional manner using qualified and experienced employees or contractors with such frequency as is necessary and reasonable in the industry and under the circumstances in order to ensure that the Improvements are properly maintained and continue to function with their intended purpose. In addition, since each of the Improvements may require different types of maintenance and materials, the maintenance intervals and the time periods within which maintenance tasks must be performed and the materials to be used by the Improvement District shall be flexible and adjusted periodically depending on the condition of each of the Improvements and particular maintenance needs; and

(C) the Maintenance Services shall be provided by the Improvement District in strict compliance with all applicable governmental entities’ and agencies’ permits, requirements, rules, acts, statutes, ordinances, orders, regulations and restrictions; and

(D) the Maintenance Services shall be provided by the Improvement District in such a manner so as not to encumber or unreasonably interfere with the use, access, ingress, egress, easement, right-of-way, dedication, ownership or other right or interest of the City in the Improvements or in the real property where the Improvements are located; and

(E) the Improvement District shall timely pay all invoices, or other manner of billing, for all persons or entities with whom the Improvement District may have contracted or arranged to provide services or materials in fulfillment of its obligations under this Agreement, including the City as provided for in Sections 5 and 6 herein.

SECTION 4. Improvement District’s Responsibility for Acts of Force Majeure

The parties hereto agree that the Maintenance Services herein assumed by the Improvement District shall not include the repair or replacement of the Improvements that are damaged as a result of acts of God (e.g., hurricane, tornado, windstorm, freeze damage, fire, drought, flooding, etc.), explosions, sabotage, accidents, riots, civil commotions, acts of war, results of any warfare or warlike conditions in this or any foreign country, legal requirements, or causes beyond the reasonable control of the Improvement District.

SECTION 5. Emergency Intervention by the City

In the event of an emergency, as determined by the City in its reasonable discretion, and regardless of any language in this Agreement to the contrary or any language in any contract or arrangement that the Improvement District may have with third parties concerning the Maintenance Services for the Improvements, the City reserves the unilateral and exclusive right to implement or initiate, without advance notice, the following:

(A) the provision of maintenance services or materials for any one or more of the Improvements; and

(B) the removal, modification, relocation, or replacement, as the case may be and in the City's reasonable discretion, of one or more of the Improvements.

Further, in such event, the Improvement District agrees that upon the City's commencement of a maintenance program or provision of maintenance services or materials for any one of the Improvements pursuant to this Section 5, the City shall issue to the Improvement District a written invoice for the costs incurred pursuant to this Section 5, and the Improvement District shall pay said invoice in full within thirty (30) calendar days following receipt of the invoice. A failure to timely pay the invoice in full shall be deemed a material breach of this Agreement.

SECTION 6. Remedies, Default, and Specific Performance

The City may elect any of one or more of the following remedies, as well as any other remedies available in law or equity, if the Improvement District should default in carrying out the terms and conditions of this Agreement, namely:

(A) Default by the Improvement District. If the Improvement District should fail, refuse or neglect to furnish or perform any one or more of the required Maintenance Services or otherwise breach the provisions of this Agreement within thirty (30) days from the date of receipt of a written notice of default from the City, then in that event the City, at its sole discretion and without further notice, may elect to (i) initiate a maintenance program or provide such maintenance services and materials and thereby assume full maintenance responsibility as to some or all of the Improvements or (ii) remove, modify, relocate, or replace, as the case may be and in the City's reasonable discretion, one or more of the Improvements; provided, however, the City shall be obligated to give subsequent written notice to the Improvement District as soon as is reasonably possible, but in no event later than five (5) business days after commencement of a maintenance program or maintenance services or materials by the City pursuant to the authority of this Section 6(A).

(B) Discontinuation & Reimbursement by the Improvement District. At such time as the City should commence a maintenance program or provide maintenance services or supplies for one or more of the Improvements under this Section 6, and upon receipt of the written notice from the City, the Improvement District shall promptly discontinue the provision of Maintenance Services as to same until such time as is otherwise agreed to in writing by and between the parties hereto, and regardless of any contracts or arrangements with third parties into which the Improvement District may have entered to perform Maintenance Services.

Further, in such event, the Improvement District agrees that, upon the City's commencement of a maintenance program or provision of maintenance services or materials for any one of the Improvements and every year thereafter on or about September 30, the City shall issue to the Improvement District a written invoice setting forth the estimated amount of money the City reasonably calculates it will need to have on hand for the next twelve (12) months, in order to implement and carry out its maintenance program or provision of maintenance services or materials. The Improvement District shall pay said invoice in full within thirty (30) calendar days following receipt of the invoice. A failure to timely pay the invoice in full shall be deemed a material breach of this Agreement.

(C) Other Remedies & Opportunity to Cure. At the sole discretion of the City, but subject to the Improvement District's right to cure under Section 6(A) hereof, a breach or material default by the Improvement District under the Agreement, including a failure to timely pay an invoice, shall entitle the City to all remedies available in law or equity or in an administrative tribunal, which shall include but not be limited to the right of damages, injunctive relief and specific performance. In the event of the Improvement District's default under this Agreement, the parties agree and stipulate as to the irreparable harm of such default and as to the absence of adequate remedies at law; therefore, the City shall have, in addition to such rights and remedies as provided by general application of law, the right to obtain specific performance of, and injunctive relief concerning, the Improvement District's obligations hereunder.

SECTION 7. Indemnification

The Improvement District does hereby indemnify and hold the City harmless of and from any and all loss or liability that the City may sustain or incur by reason of the Improvement District's assumption of the Maintenance Services for the Improvements, including any that may result from or arise out of the Improvement District's misfeasance, malfeasance, non-feasance, negligence or failure to carry out its obligations under this Agreement; provided, however, it is understood that this section does not (A) grant the City indemnification rights for the Improvement District's misfeasance, malfeasance, non-feasance, negligence or failure to carry out the terms and conditions of this Agreement if same is caused by, or at, the direction of the City or (B) authorize the Improvement District to select or provide legal counsel on behalf of the City.

SECTION 8. Insurance

The Improvement District shall be required, on or before the date of the execution of this Agreement and without any interruption or lapse thereafter, to provide to the City a certificate of insurance reflecting insurance coverage for the Improvement District in such amounts and in accordance with the requirements set forth on Exhibit D attached hereto and incorporated herein by reference. Further, said certificate of insurance shall on its face reflect the following, including but not limited to:

- (A) the City as an additional insured to the extent of limits of liability set forth in the attached Exhibit D; and
- (B) the City as the certificate holder of the certificate of insurance.

SECTION 9. Term of Agreement

This Agreement shall take effect as of the Effective Date first written above. Unless terminated as otherwise permitted in this Agreement, the term of this Agreement shall expire on midnight of September 30 of the year that is six (6) years following the year of the Effective Date first written above. This Agreement shall automatically renew for an additional six (6) years, commencing at 12:01 a.m. on October 1 of the following year, unless the Improvement District provides written notice before 5:00 p.m. on March 31 of the year in which the then-current term will expire that the Improvement District intends not to renew for an additional term.

Notwithstanding anything herein to the contrary, in addition to the rights and methods of termination established pursuant to any other provision of this Agreement, the City may terminate this Agreement at any time for any reason in its sole discretion by providing at least ninety (90) days written notice to the Improvement District of its intent to terminate this Agreement pursuant to this provision.

SECTION 10. Miscellaneous Provisions

(A) Time of the Essence. Time is of the essence with respect to this Agreement.

(B) Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including facsimile) and shall be (as elected by the person giving such notice) hand delivered by prepaid express overnight courier or messenger service, telecommunicated, or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, to the following addresses:

AS TO THE IMPROVEMENT

DISTRICT: Renaissance Improvement District
c/o Wrathell, Hart, Hunt & Associates, LLC
6131 Lyons Road, Suite 100
Coconut Creek, Florida 33073
Attention: Craig A. Wrathell

AS TO THE COOPERATIVE

DISTRICT: Renaissance Cooperative District
c/o Wrathell, Hart, Hunt & Associates, LLC
6131 Lyons Road, Suite 100
Coconut Creek, Florida 33073
Attention: Craig A. Wrathell

AS TO THE CITY:

City of Daphne

Attention: _____

(C) Entire Agreement. The parties agree that this instrument embodies the complete understanding of the parties with respect to the subject matter of this Agreement and supersedes all other agreements, verbal or otherwise. This Agreement contains the entire understanding between the parties hereto with respect to the matters addressed herein, and each agrees that no representation was made by or on behalf of the other that is not contained in this Agreement, and that in entering into this Agreement no party relied upon any representation not herein contained.

(D) Amendment and Waiver. This Agreement may be amended only by a written instrument signed by all parties. If any party fails to enforce its respective rights under this Agreement, or fails to insist upon the performance of any other party's obligations hereunder, such failure shall not be construed as a permanent waiver of any rights as stated in this Agreement.

(E) Severability. The parties agree that, if any part, term or provision of this Agreement is held to be illegal or in conflict with any law of the State of Alabama or with any federal law or regulation, such provision shall be severable, with all other provisions remaining valid and enforceable.

(F) Controlling Law. This Agreement shall be construed under the laws of the State of Alabama.

(G) Authority. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this Agreement.

(H) Costs and Fees. In the event that any party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorney's fees and costs for trial, alternate dispute resolution, or appellate proceedings.

(I) Successors and Assignment. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, receivers, trustees, successors and assigns. This Agreement may not be assigned without the written consent of all parties, and such written consent shall not be unreasonably withheld.

(J) No Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and no right or cause of action shall accrue upon, or by reason hereof, to or for the benefit of any third party not a party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

(K) Arm's Length Transaction. This Agreement has been negotiated fully between the parties in an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning

the interpretation of any provision of this Agreement, the parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

(L) Execution of Documents. Each party covenants and agrees that it will at any time and from time to time do such acts and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such documents reasonably requested by the parties necessary to carry out fully and effectuate the transaction or performance herein contemplated.

(M) Construction of Terms. Whenever used, the singular number shall include the plural, the plural the singular; and the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires.

(N) Captions. The captions for each section of this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope of intent of this Agreement, or the intent of any provision hereof.

(O) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be and be taken to be an original, and all collectively deemed one instrument.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the Effective Date first above written.

RENAISSANCE IMPROVEMENT DISTRICT

By: _____
Name: _____
Its: _____

RENAISSANCE COOPERATIVE DISTRICT

By: _____
Name: _____
Its: _____

CITY OF DAPHNE

By: _____
Name: _____
Its: _____

This instrument prepared by:

Joseph (Jodie) E. Smith
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
2400 Regions/Harbert Plaza
Birmingham, Alabama 35203
205.254.1000

STATE OF ALABAMA)
BALDWIN COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____, whose name as _____ of RENAISSANCE IMPROVEMENT DISTRICT, an Alabama public corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such _____ and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the ____ day of _____, 20__.

Notary Public

AFFIX SEAL

My commission expires: _____

STATE OF ALABAMA)
BALDWIN COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____, whose name as _____ of RENAISSANCE COOPERATIVE DISTRICT, an Alabama public corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such _____ and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the ____ day of _____, 20__.

Notary Public

AFFIX SEAL

My commission expires: _____

STATE OF ALABAMA)
BALDWIN COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____, whose name as _____ of CITY OF DAPHNE, an Alabama municipal corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such _____ and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the ____ day of _____, 20__.

Notary Public

AFFIX SEAL

My commission expires: _____

EXHIBIT A

(Description of Property)

The real property described more particularly in the Certificate of Incorporation of Renaissance Improvement District, dated June 5, 2007, in Instrument No. 1054058 filed with the Office of the Judge of Probate of Baldwin County.

EXHIBIT B

(Description of Improvements)

Those open spaces and landscaping facilities belonging to the City, or which the City is responsible for maintaining, that are identified by orange shading in the below map and that are located in, on, under, or about the Property.

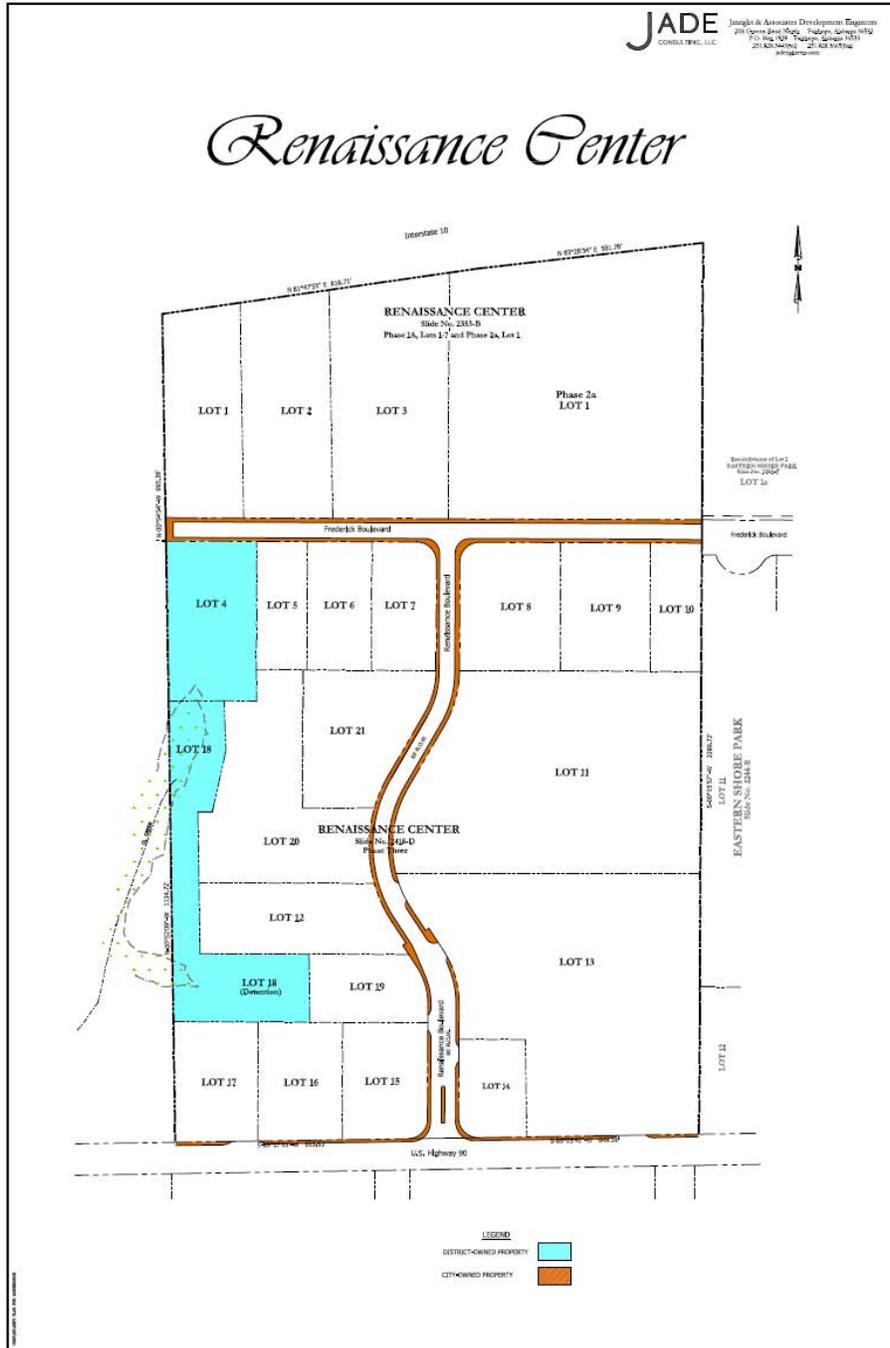


EXHIBIT C

(Description of Maintenance Services)

Maintenance of the facilities identified on Exhibit B.

EXHIBIT D

(Schedule of Insurance Coverage(s))

The Improvement District shall make the City an additional insured under any and all policies of insurance applicable in any way, in whole or in part, to any of the maintenance activities arising under this Agreement. The Improvement District shall maintain such policies of insurance in such amounts and of such types as are customary for maintenance activities like the maintenance activities arising under this Agreement.

Walgreens - Daphne

CASE NO. 2010-3

ABC LICENSE ROUTING

DATE RECEIVED BY REVENUE DIV. 3-4-10 (initial) KS
 DATE FORWARDED TO POLICE DEPT. 3-5-10 KH
 DATE RECEIVED BY POLICE DEPT. 3-9-10 KH

DATE: APPROVED DISAPPROVED

POLICE DEPT SIGNATURE [Signature]

DATE RETURNED TO REVENUE DIV. 3-16-10 KS
 DATE FORWARDED TO CITY CLERK 3-16-10 RH
 DATE RECEIVED BY CITY CLERK _____
 SCHEDULED DATE ON AGENDA 4-5-10 RH

Council Action: APPROVED DISAPPROVED TABLED

COMMENTS: _____

Rescheduled for Council Agenda Date: _____

Council Action: APPROVED DISAPPROVED TABLED

COMMENTS: _____

DATE RETURNED TO REVENUE DIV.: _____

DATE RETURNED TO TAXPAYER _____
OR TO ABC FIELD OFFICE _____ (per taxpayer request)



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
 ALCOHOL LICENSE APPLICATION
 Confirmation Number: 20100205103934702



Private Clubs / Special Retail / or Special Events licenses ONLY

Private Club

Does the club charge and collect dues from elected members?

Number of paid up members:

Are meetings regularly held?

How often?

Is business conducted through officers regularly elected?

Are members admitted by written application, investigation, and ballot?

Has Agent verified membership applications for each member listed?

Has at least 10% of members listed been confirmed and highlighted?

Agent's Initials:

For what purpose is the club organized?

Does the property used, as well as the advantages, belong to all the members?

Do the operations of the club benefit any individual member(s), officer(s), director(s), agent(s), or employee(s) of the club rather than to benefit of the entire membership?

Special Retail

Is it for 30 days or less?

More than 30 days?

Franchisee or Concessionaire of above?

Other valid responsible organization:

Explanation:

Special Events / Special Retail (7 days or less)

Starting Date: Ending Date:

Special terms and conditions for special event/special retail:

Other Explanations

Are the applicant(s) named above, the only person(s), in any manner interested in the business sought to be licensed?: Walgreens is a publicly traded corporation and has over 40 officers, see attached list for full disclosure

Is the lessor involved in any way with the alcohol beverage business?: Walgreens owns several corporations that handle the property issues for each store



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION



If applicant is leasing the property, is a copy of the lease agreement attached? **YES**
 Name of Property owner/lessor and phone number:
 What is lessors primary business? **REAL ESTATE**
 Is lessor involved in any way with the alcoholic beverage business? **NO**
 Is there any further interest, or connection with, the licensee's business by the lessor? **NO**

Does the premise have a fully equipped kitchen? **NO**
 Is the business used to habitually and principally provide food to the public? **NO**
 Does the establishment have restroom facilities? **YES**
 Is the premise equipped with services and facilities for on premises consumption of alcoholic beverages? **NO**

Will the business be operated primarily as a package store? **NO**
 Building Dimensions Square Footage: **14820** Display Square Footage:
 Building seating capacity: **0** Does Licensed premises include a patio area? **NO**
 License Structure: **ONE STORY** License covers: **ENTIRE STRUCTURE**
 Number of licenses in the vicinity: **5** Nearest: **1**
 Nearest school: **4 blocks** Nearest church: **5 blocks** Nearest residence: **1 blocks**
 Location is within: **CITY LIMITS** Police protection: **CITY**

Has any person(s) with any interest, including manager, whether as sole applicant, officer, member, or partner been charged (whether convicted or not) of any law violation(s)?

Name:	Violation & Date:	Arresting Agency:	Disposition:
			



STATE OF ALABAMA

ALCOHOLIC BEVERAGE CONTROL BOARD

ALCOHOL LICENSE APPLICATION



Initial each

Signature page

In reference to law violations, I attest to the truthfulness of the responses given within the application.

In reference to the Lease/property ownership, I attest to the truthfulness of the responses given within the application.

In reference to ACT No. 80-529, I understand that if my application is denied or discontinued, I will not be refunded the filing fee required by this application.

In reference to Special Retail or Special Events retail license, I agree to comply with all applicable laws and regulations concerning this class of license, and to observe the special terms and conditions as indicated within the application.

In reference to the Club Application information, I attest to the truthfulness of the responses given within the application.

In reference to the transfer of license/location, I attest to the truthfulness of the information listed on the attached transfer agreement.

In accordance with Alabama Rules & Regulations 20-X-5-.01(4), any social security number disclosed under this regulation shall be used for the purpose of investigation or verification by the ABC Board and shall not be a matter of public record.

The undersigned agree, if a license is issued as herein applied for, to comply at all times with and to fully observe all the provisions of the Alabama Alcoholic Beverage Control Act, as appears in Code of Alabama, Title 28, and all laws of the State of Alabama relative to the handling of alcoholic beverages. The undersigned, if issued a license as herein requested, further agrees to obey all rules and regulations promulgated by the board relative to all alcoholic beverages received in this State. The undersigned, if issued a license as herein requested, also agrees to allow and hereby invites duly authorized agents of the Alabama Alcoholic Beverage Control Board and any duly commissioned law enforcement officer of the State, County or Municipality in which the license premises are located to enter and search without a warrant the licensed premises or any building owned or occupied by him or her in connection with said licensed premises. The undersigned hereby understands that he or she violate any provisions of the aforementioned laws his or her license shall be subject to revocation and no license can be again issued to said licensee for a period of one year. The undersigned further understands and agrees that no changes in the manner of operation and no deletion or discontinuance of any services or facilities as described in this application will be allowed without written approval of the proper governing body and the Alabama Alcoholic Beverage Control Board.

I hereby swear and affirm that I have read the application and all statements therein and facts set forth are true and correct, and that the applicant is the only person interested in the business for which the license is required.

Applicant Name (print): **DAVID SHEPPARD**

Signature of Applicant: *David Sheppard*

Notary Name (print):

Notary Signature:

Commission expires:

Application Taken:

App. Inv. Completed:

Forwarded to District Office:

Submitted to Local Government:

Received from Local Government:

Received in District Office:

Reviewed by Supervisor:

Forwarded to Central Office:

Receipt Confirmation Page

Receipt Confirmation Number: **20100205103934702**
Application Payment Confirmation Number: 6701320

Payment Summary	
Payment Item	Fee
Application Fee for License 050 and License 070	\$100.00
Total Amount to be Charged	\$100.00

License Payment Confirmation Number:

Payment Summary			
Payment Item	County Fee	State Fee	Total Fee
050 - RETAIL BEER (OFF PREMISES ONLY)	\$50.00	\$100.00	\$150.00
070 - RETAIL TABLE WINE (OFF PRMISES ONLY)	\$75.00	\$150.00	\$225.00
Total Amount to be Charged	\$125.00	\$250.00	\$375.00

Application Type

Application Type: APPLICATION

Applicant Information

License Type 1: 050 - RETAIL BEER (OFF PREMISES ONLY)
License Type 2: 070 - RETAIL TABLE WINE (OFF PRMISES ONLY)
License County: BALDWIN
Business Type: CORPORATION
Trade Name: **WALGREENS STORE 05606**
Applicant Name: **WALGREEN CO**
Location Address: 3025 HWY 98
DAPHNE, AL 36526
Mailing Address: PO BOX 901; MS 3301
DEERFIELD, IL 60015
Contact Person: DAVID FRANCIS SHEPPARD
Contact Home Phone: 205-266-8484
Contact Business Phone: 847-527-4722
Contact Fax: 847-368-6689
Contact Cell Phone:
Contact Email Address:
Contact Web Address:

Walgreens - Malkis

CASE NO. 2010-2

ABC LICENSE ROUTING

DATE RECEIVED BY REVENUE DIV. 3-4-10 (initial) KS
 DATE FORWARDED TO POLICE DEPT. 3-5-10 KS
 DATE RECEIVED BY POLICE DEPT. 3-9-10 RH

DATE: APPROVED DISAPPROVED

POLICE DEPT SIGNATURE [Signature]

DATE RETURNED TO REVENUE DIV. [Signature] 3-16-10 KS
 DATE FORWARDED TO CITY CLERK 3-16-10 RH
 DATE RECEIVED BY CITY CLERK _____
 SCHEDULED DATE ON AGENDA 4-5-10 RH

Council Action: APPROVED DISAPPROVED TABLED

COMMENTS: _____

Rescheduled for Council Agenda Date: _____

Council Action: APPROVED DISAPPROVED TABLED

COMMENTS: _____

DATE RETURNED TO REVENUE DIV.: _____

DATE RETURNED TO TAXPAYER _____
OR TO ABC FIELD OFFICE _____ (per taxpayer request)



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION
Confirmation Number: 20100205133237410



Type License: 050 - RETAIL BEER (OFF PREMISES ONLY) State: \$100.00 County: \$50.00
 Type License: 070 - RETAIL TABLE WINE (OFF PRMISES ONLY) State: \$150.00 County: \$75.00
 Trade Name: WALGREENS STORE 10169 Filing Fee: \$100.00
 Applicant: WALGREEN CO Transfer Fee:
 Location Address: 30957 MILL LANE DAPHNE, AL 36527
 Mailing Address: PO BOX 901; MS 3301 DEERFIELD, IL 60015
 County: BALDWIN Tobacco sales: YES Tobacco Vending Machines: 0
 Sale of Products Containing Ephedrine: YES Type Ownership: CORPORATION
 Book, Page, or Document info: FILE NUMBER 1084-348-1 Do you sell Draft Beer: N
 Date Incorporated: 02/15/1909 State incorporated: IL County Incorporated: SANGAMON
 Date of Authority: 06/08/1998 Business Type: (43) - DRUG STORE/PHARMACY

Name:	Title:	Date and Place of Birth:	Residence Address:
GREGORY D WASSON W25028458298 - IL	PRESIDENT	10/19/1958 TIPPECANOE IN	1724 HOLLY CT LONG GROVE , IL 60047
JASON M. DUBINSKY D15243373211 - IL	TREASURER	07/25/1973 KINGS NEW YORK	1156 CHERRY STREET DEERFIELD, IL 60015
MARK A. WAGNER W25654161301 - IL	EXECUTIVE VICE PRESIDENT	10/22/1961 KENTON KENTUCKY	1127 SOUTH RIDGE ROAD LAKE FOREST, IL 60045

Has applicant complied with financial responsibility ABC RR 20-X-5-.14? YES
 Does ABC have any actions pending against the current licensee? NO
 Has anyone, including manager or applicant, had a Federal/State permit or license suspended or revoked? NO
 Has a liquor, wine, malt or brewed license for these premises ever been denied, suspended, or revoked? NO
 Are the applicant(s) named above, the only person(s), in any manner interested in the business sought to be licensed? NO
 Are any of the applicants, whether individual, member of a partnership or association, or officers and directors of cooperation itself, in any manner monetarily interested, either directly or indirectly, in the profits of any other class of business regulated under authority of this act? NO
 Does applicant own or control, directly or indirectly, hold lien against any real or personal property which is rented, leased or used in the conduct of business by the holder of any vinous, malt or brewed beverage, or distilled liquors permit or license issued under authority of this act? NO
 Is applicant receiving, either directly or indirectly, any loan, credit, money, or the equivalent thereof from or through a subsidiary or affiliate or other licensee, or from any firm, association or corporation operating under or regulated by the authority of this act? NO

Contact Person: DAVID FRANCIS SHEPPARD Home Phone: 205-266-8484
 Business Phone: 847-527-4722 Cell Phone:
 Fax: 847-368-6689 E-mail: catherine.eyre@walgreens.com

PREVIOUS LICENSE INFORMATION: Previous License Number(s)
 Trade Name: License 1:
 Applicant: License 2:



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION
Confirmation Number: 20100205133237410



Private Clubs / Special Retail / or Special Events licenses ONLY

Private Club

Does the club charge and collect dues from elected members?
 Number of paid up members:
 Are meetings regularly held?
 How often?
 Is business conducted through officers regularly elected?
 Are members admitted by written application, investigation, and ballot?
 Has Agent verified membership applications for each member listed?
 Has at least 10% of members listed been confirmed and highlighted? Agent's Initials:
 For what purpose is the club organized?
 Does the property used, as well as the advantages, belong to all the members?
 Do the operations of the club benefit any individual member(s), officer(s), director(s), agent(s), or employee(s) of the club rather than to benefit of the entire membership?

Special Retail

Is it for 30 days or less?
 More than 30 days?
 Franchisee or Concessionaire of above?
 Other valid responsible organization:
 Explanation:

Special Events / Special Retail (7 days or less)

Starting Date: Ending Date:
 Special terms and conditions for special event/special retail:

Other Explanations

Are the applicant(s) named above, the only person(s), in any manner interested in the business sought to be licensed?: Walgreens is a publicly traded corporation and has over 40 officers, see attached list for full disclosure
 Is the lessor involved in any way with the alcohol beverage business?: Walgreens owns several corporations that handle the property issues for each store



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION



If applicant is leasing the property, is a copy of the lease agreement attached? YES
 Name of Property owner/lessor and phone number:
 What is lessors primary business? REAL ESTATE
 Is lessor involved in any way with the alcoholic beverage business? NO
 Is there any further interest, or connection with, the licensee's business by the lessor? NO

Does the premise have a fully equipped kitchen? NO
 Is the business used to habitually and principally provide food to the public? NO
 Does the establishment have restroom facilities? YES
 Is the premise equipped with services and facilities for on premises consumption of alcoholic beverages? NO

Will the business be operated primarily as a package store? NO
 Building Dimensions Square Footage: 14820 Display Square Footage:
 Building seating capacity: 0 Does Licensed premises include a patio area? NO
 License Structure: ONE STORY License covers: ENTIRE STRUCTURE
 Number of licenses in the vicinity: 5 Nearest: 1
 Nearest school: 4 blocks Nearest church: 5 blocks Nearest residence: 1 blocks
 Location is within: CITY LIMITS Police protection: CITY

Has any person(s) with any interest, including manager, whether as sole applicant, officer, member, or partner been charged (whether convicted or not) of any law violation(s)?

Name:	Violation & Date:	Arresting Agency:	Disposition:
			



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION



Initial each

Signature page

JD

In reference to law violations, I attest to the truthfulness of the responses given within the application.

JD

In reference to the Lease/property ownership, I attest to the truthfulness of the responses given within the application.

JD

In reference to ACT No. 80-529, I understand that if my application is denied or discontinued, I will not be refunded the filing fee required by this application.

JD

In reference to Special Retail or Special Events retail license, I agree to comply with all applicable laws and regulations concerning this class of license, and to observe the special terms and conditions as indicated within the application.

JD

In reference to the Club Application information, I attest to the truthfulness of the responses given within the application.

JD

In reference to the transfer of license/location, I attest to the truthfulness of the information listed on the attached transfer agreement.

JD

In accordance with Alabama Rules & Regulations 20-X-5-.01(4), any social security number disclosed under this regulation shall be used for the purpose of investigation or verification by the ABC Board and shall not be a matter of public record.

JD

The undersigned agree, if a license is issued as herein applied for, to comply at all times with and to fully observe all the provisions of the Alabama Alcoholic Beverage Control Act, as appears in Code of Alabama, Title 28, and all laws of the State of Alabama relative to the handling of alcoholic beverages. The undersigned, if issued a license as herein requested, further agrees to obey all rules and regulations promulgated by the board relative to all alcoholic beverages received in this State. The undersigned, if issued a license as herein requested, also agrees to allow and hereby invites duly authorized agents of the Alabama Alcoholic Beverage Control Board and any duly commissioned law enforcement officer of the State, County or Municipality in which the license premises are located to enter and search without a warrant the licensed premises or any building owned or occupied by him or her in connection with said licensed premises. The undersigned hereby understands that he or she violate any provisions of the aforementioned laws his or her license shall be subject to revocation and no license can be again issued to said licensee for a period of one year. The undersigned further understands and agrees that no changes in the manner of operation and no deletion or discontinuance of any services or facilities as described in this application will be allowed without written approval of the proper governing body and the Alabama Alcoholic Beverage Control Board.

JD

I hereby swear and affirm that I have read the application and all statements therein and facts set forth are true and correct, and that the applicant is the only person interested in the business for which the license is required.

Applicant Name (print): **DAVID SHEPPARD**

Signature of Applicant: *David Sheppard*

Notary Name (print):

Notary Signature:

Commission expires:

Application Taken:

App. Inv. Completed:

Forwarded to District Office:

Submitted to Local Government:

Received from Local Government:

Received in District Office:

Reviewed by Supervisor:

Forwarded to Central Office:

Receipt Confirmation Page

Receipt Confirmation Number: **20100205133237410**
Application Payment Confirmation Number: 6707944

Payment Summary	
Payment Item	Fee
Application Fee for License 050 and License 070	\$100.00
Total Amount to be Charged	\$100.00

License Payment Confirmation Number:

Payment Summary			
Payment Item	County Fee	State Fee	Total Fee
050 - RETAIL BEER (OFF PREMISES ONLY)	\$50.00	\$100.00	\$150.00
070 - RETAIL TABLE WINE (OFF PRMISES ONLY)	\$75.00	\$150.00	\$225.00
Total Amount to be Charged	\$125.00	\$250.00	\$375.00

Application Type

Application Type: APPLICATION

Applicant Information

License Type 1: 050 - RETAIL BEER (OFF PREMISES ONLY)
License Type 2: 070 - RETAIL TABLE WINE (OFF PRMISES ONLY)
License County: BALDWIN
Business Type: CORPORATION
Trade Name: WALGREENS STORE 10169
Applicant Name: WALGREEN CO
Location Address: 30957 MILL LANE
DAPHNE, AL 36527
Mailing Address: PO BOX 901; MS 3301
DEERFIELD, IL 60015
Contact Person: DAVID FRANCIS SHEPPARD
Contact Home Phone: 205-266-8484
Contact Business Phone: 847-527-4722
Contact Fax: 847-368-6689
Contact Cell Phone:
Contact Email Address:
Contact Web Address:

CITY ATTORNEY'S REPORT

NOTES:

DEPARTMENT HEAD'S COMMENTS

**CITY COUNCIL MEETING
RESOLUTIONS, ORDINANCES, ORDERS & OTHER BUSINESS**

NOTES:

RECOMMENDATIONS

COUNCIL COMMENTS:

RESOLUTION NO. 2010-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, APPOINTING THE MEMBERS OF THE SPECIAL CARE FACILITIES FINANCING AUTHORITY OF THE CITY OF DAPHNE-VILLA MERCY AND RELATED MATTERS

WHEREAS, The Special Care Facilities Financing Authority of the City of Daphne, Villa Mercy (the “Authority”) has been established pursuant to Section 11-62-1 *et seq.* of the Code of Alabama, 1975, as amended (the “Act”), to assist nonprofit entities in the financing and refinancing of healthcare and related facilities; and

WHEREAS, Mercy Medical, A Corporation (the “Corporation”) has heretofore borrowed proceeds of revenue bonds issued by the Authority to finance and refinance assisted living facilities, independent living facilities and skilled nursing facilities owned and operated by the Corporation in Daphne, Fairhope and Mobile, Alabama; and

WHEREAS, there are currently vacancies in the membership of the Authority; and

WHEREAS, pursuant to the Act, the members of the Authority shall be appointed by the City Council of the City of Daphne; and

WHEREAS, the City Council of the City of Daphne, at the request of the Corporation, desires to appoint two new members to serve the Authority and to re-appoint Helen T. Callaway to serve as a member of the Authority for a new term.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA that the following persons shall be appointed, and are hereby appointed, to serve as members and officers of the Authority for a term of two (2) years, commencing on the date hereof, as follows:

<u>Name</u>	<u>Office</u>
Helen T. Calloway	Member and Chair
Semra N. Davenport	Member and Vice Chair
Douglas A. Bailey, P.E.	Member and Secretary/Treasurer

This Resolution shall take effect immediately.

ADOPTED AND APPROVED on this ____ day of _____, 2010.

August A. Palumbo,
Council President

Fred Small,
Mayor

ATTEST:

David L. Cohen,
City Clerk

RESOLUTION NO. 2010-35
City of Daphne Support for Baldwin County Commission's
Live Oak Landing (CIAP) Funding Request

WHEREAS, the City of Daphne supports the Baldwin County Commission's Live Oak Landing Coastal Impact Assistance Program funding request which will allow for the county to purchase the property at Live Oak Landing; and

WHEREAS, Live Oak Landing would provide one of the best public access to the upper Mobile/Tensaw Delta for a thirty mile stretch; and

WHEREAS, Live Oak Landing would provide economic impact with bringing back bass tournaments to Baldwin County; and

WHEREAS, Live Oak Landing would allow and preserve birding, kayaking, canoeing and area cultural heritage.

NOW, THEREFORE, BE IT RESOLVED, that the City of Daphne supports Baldwin County Commission's Live Oak Landing CIAP funding request.

APPROVED AND ADOPTED ON THE ____ DAY OF _____, 2010.

August A. Palumbo
Council President

Fred Small
Mayor

ATTEST:

David L. Cohen

City Clerk, MMC

RESOLUTION NO. 2010-36

**City of Daphne Support for House Bill 713 and Senate Bill 534
to Create the Department of Insurance Transparency Act**

WHEREAS, the City of Daphne supports House Bill 713 and Senate Bill 534 to create the Department of Insurance Transparency Act ; and

WHEREAS, the bills would require the insurance companies transacting business in the State of Alabama to provide policy and premium information to the State of Alabama Insurance Department; and

WHEREAS, this information would be made public and compared to other states; and

WHEREAS, the intent of the bills if vote into law would provide a comparison to insure fair and equitable property insurance for the entire State of Alabama.

NOW, THEREFORE, BE IT RESOLVED, that the City of Daphne supports House Bill 713 and Senate Bill 534.

APPROVED AND ADOPTED ON THE ____ DAY OF _____, 2010.

**August A. Palumbo
Council President**

**Fred Small
Mayor**

ATTEST:

**David L. Cohen
City Clerk, MMC**

1 SB534
2 119474-3
3 By Senators Pittman, Brooks, Glover, and Figures
4 RFD: Banking and Insurance
5 First Read: 11-MAR-10

2
3
4
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6
7
8 SYNOPSIS: This bill would create the Department of
9 Insurance Transparency Act.

10 This bill would require insurance companies
11 transacting business in the state to provide policy
12 and premium information to the Department of
13 Insurance.

14 This bill would require the department to
15 provide on the department website aggregate data of
16 the number of homeowner's insurance policies and
17 the total dollar amount of premiums collected and
18 claims pending or paid representing the total of
19 every insurance company doing business in Alabama.

20 This bill would also require the department
21 to post on the department website a comprehensive
22 description of the actuarial model used by the
23 department for homeowner's risk and other related
24 data.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

2
3 Creating the Department of Insurance Transparency
4 Act; to require insurance companies transacting business in
5 the state to provide policy and premium information to the
6 department; to require the department to provide on the
7 department website aggregate data of the number of homeowner's
8 insurance policies and the total dollar amount of premiums
9 collected and claims pending or paid representing the total of
10 every insurance company doing business in the state; to
11 require the department to post on the department website a
12 comprehensive description of the actuarial model used by the
13 department for homeowner's risk and other related data; and to
14 provide penalties for insurance company noncompliance.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. This bill shall be known and may be cited
17 as the Department of Insurance Transparency Act.

18 Section 2. (a) Each insurance company transacting
19 business in the State of Alabama shall annually submit to the
20 Alabama Department of Insurance, on or before October 1, the
21 total annual amount of homeowners' claims, pending or paid, in
22 dollar amounts, of the company and the number of homeowners'
23 policies held by the company and the dollar amount of
24 homeowners' premiums collected. The totals shall be arranged
25 by county and Zip Code.

26 (b) Based upon all submitted company reports, and
27 other information submitted to or otherwise gathered by the

1 department, the department shall compile and maintain a
2 statewide database and shall post on the department website an
3 aggregate total of homeowner's insurance premiums and claims,
4 pending or paid, and the number of policies, by county and Zip
5 Code, on or before January 15, 2011.

6 (c) The aggregate information compiled from the
7 statewide database, and posted on the department website,
8 shall be updated annually. The posted information shall
9 include the aggregate of total homeowners' policies, premiums,
10 and claims, pending and paid, in dollar amounts, by county and
11 Zip Code, for each of the following perils:

12 (1) Fire.

13 (2) Hail.

14 (3) Tornado.

15 (4) Named storms, including systems that are
16 remnants of named storms.

17 (5) Flood.

18 Section 3. (a) The department shall also post on the
19 department website a comprehensive written description of the
20 specific actuarial model, or blending of models, and all
21 relevant data used by the department for calculating approval
22 of each category of homeowners' insurance premium.

23 (b) The actuarial information shall be provided by
24 Zip Code for each county or set of counties if more than one
25 county is included in a single actuarial calculation.

26 Section 4. Each insurance company transacting
27 business in this state shall provide the information required

1 by this act, relating to the total number of claims, premiums,
2 and policies in each county by Zip Code, and their dollar
3 value, by year, commencing with January 1, 1990. Based upon
4 the submitted information, the department shall compile
5 aggregate totals, pursuant to Section 1, by year, commencing
6 with 1990, and post those aggregate totals, by county and Zip
7 Code, on the department website.

8 Section 5. (a) The commissioner and employees of the
9 department shall incur no liability and no cause of action of
10 any nature shall lie against the commissioner or any employee
11 of the department for any action taken pursuant to this act.

12 (b) Upon written request of an insurance company,
13 the commissioner may waive, or extend for up to an additional
14 90 days, the October 1 reporting requirement imposed by this
15 act. The request shall demonstrate a reasonable cause for
16 waiving or extending the deadline.

17 (c) Any insurance company granted a 90-day extension
18 that fails to comply on or before the 90th day shall be fined
19 two thousand five hundred dollars (\$2,500) per day, by the
20 department until the date of compliance. Any funds collected
21 pursuant to this subsection shall be deposited into the State
22 General Fund.

23 (d) Any insurance company failing to comply for more
24 than 30 days after extension shall immediately be suspended
25 from selling new policies of insurance of any kind in this
26 state until such time as the insurance company is in
27 compliance.

1 Section 6. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

1 HB713
2 119474-3
3 By Representatives Faust, Buskey, Gordon, Barton, Gaston,
4 Fincher, McMillan and Davis
5 RFD: Banking and Insurance
6 First Read: 11-MAR-10

2
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8 SYNOPSIS: This bill would create the Department of
9 Insurance Transparency Act.

10 This bill would require insurance companies
11 transacting business in the state to provide policy
12 and premium information to the Department of
13 Insurance.

14 This bill would require the department to
15 provide on the department website aggregate data of
16 the number of homeowner's insurance policies and
17 the total dollar amount of premiums collected and
18 claims pending or paid representing the total of
19 every insurance company doing business in Alabama.

20 This bill would also require the department
21 to post on the department website a comprehensive
22 description of the actuarial model used by the
23 department for homeowner's risk and other related
24 data.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

2
3 Creating the Department of Insurance Transparency
4 Act; to require insurance companies transacting business in
5 the state to provide policy and premium information to the
6 department; to require the department to provide on the
7 department website aggregate data of the number of homeowner's
8 insurance policies and the total dollar amount of premiums
9 collected and claims pending or paid representing the total of
10 every insurance company doing business in the state; to
11 require the department to post on the department website a
12 comprehensive description of the actuarial model used by the
13 department for homeowner's risk and other related data; and to
14 provide penalties for insurance company noncompliance.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. This bill shall be known and may be cited
17 as the Department of Insurance Transparency Act.

18 Section 2. (a) Each insurance company transacting
19 business in the State of Alabama shall annually submit to the
20 Alabama Department of Insurance, on or before October 1, the
21 total annual amount of homeowners' claims, pending or paid, in
22 dollar amounts, of the company and the number of homeowners'
23 policies held by the company and the dollar amount of
24 homeowners' premiums collected. The totals shall be arranged
25 by county and Zip Code.

26 (b) Based upon all submitted company reports, and
27 other information submitted to or otherwise gathered by the

1 department, the department shall compile and maintain a
2 statewide database and shall post on the department website an
3 aggregate total of homeowner's insurance premiums and claims,
4 pending or paid, and the number of policies, by county and Zip
5 Code, on or before January 15, 2011.

6 (c) The aggregate information compiled from the
7 statewide database, and posted on the department website,
8 shall be updated annually. The posted information shall
9 include the aggregate of total homeowners' policies, premiums,
10 and claims, pending and paid, in dollar amounts, by county and
11 Zip Code, for each of the following perils:

12 (1) Fire.

13 (2) Hail.

14 (3) Tornado.

15 (4) Named storms, including systems that are
16 remnants of named storms.

17 (5) Flood.

18 Section 3. (a) The department shall also post on the
19 department website a comprehensive written description of the
20 specific actuarial model, or blending of models, and all
21 relevant data used by the department for calculating approval
22 of each category of homeowners' insurance premium.

23 (b) The actuarial information shall be provided by
24 Zip Code for each county or set of counties if more than one
25 county is included in a single actuarial calculation.

26 Section 4. Each insurance company transacting
27 business in this state shall provide the information required

1 by this act, relating to the total number of claims, premiums,
2 and policies in each county by Zip Code, and their dollar
3 value, by year, commencing with January 1, 1990. Based upon
4 the submitted information, the department shall compile
5 aggregate totals, pursuant to Section 1, by year, commencing
6 with 1990, and post those aggregate totals, by county and Zip
7 Code, on the department website.

8 Section 5. (a) The commissioner and employees of the
9 department shall incur no liability and no cause of action of
10 any nature shall lie against the commissioner or any employee
11 of the department for any action taken pursuant to this act.

12 (b) Upon written request of an insurance company,
13 the commissioner may waive, or extend for up to an additional
14 90 days, the October 1 reporting requirement imposed by this
15 act. The request shall demonstrate a reasonable cause for
16 waiving or extending the deadline.

17 (c) Any insurance company granted a 90-day extension
18 that fails to comply on or before the 90th day shall be fined
19 two thousand five hundred dollars (\$2,500) per day, by the
20 department until the date of compliance. Any funds collected
21 pursuant to this subsection shall be deposited into the State
22 General Fund.

23 (d) Any insurance company failing to comply for more
24 than 30 days after extension shall immediately be suspended
25 from selling new policies of insurance of any kind in this
26 state until such time as the insurance company is in
27 compliance.

1 Section 6. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

ORDINANCE 2010-15

Civic Center Energy Analysis

WHEREAS, Ordinance 2009-52 approved and adopted the Fiscal Year 2010 Budget on October 19, 2009; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2010 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2010 budget; and

WHEREAS, the adopted budget did not include an appropriation for an HVAC energy analysis for the Civic Center; and

WHEREAS, the Civic Center could save up to 50% on energy costs as a result of implementing the findings of such analysis.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that: the Fiscal Year 2010 Budget is hereby amended to include an appropriation in the amount of \$ 12,000 for a Civic Center Energy Analysis. Furthermore, the Mayor is hereby authorized to enter into an agreement with Engineered Cooling Services for the performance of such analysis.

APPROVED AND ADOPTED by the Mayor and City Council of the City of Daphne, Alabama, this _____ day of _____, 2010.

August Palumbo, Council President

Fred Small, Mayor

ATTEST:

David L. Cohen, City Clerk MMC

ORDINANCE 2010-16

Baldwin County Economic Development Alliance

WHEREAS, Ordinance 2009-52 approved and adopted the Fiscal Year 2010 Budget on October 19, 2009; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2010 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2010 budget; and

WHEREAS, the adopted budget has a remaining balance of 6,257 in community contributions; and

WHEREAS, the Baldwin County Economic Development Alliance has been instrumental in locating new businesses in the City of Daphne; and

WHEREAS, the City Council has determined it to be in the best interest of the City to make a \$ 10,000 contribution to the Baldwin County Economic Development Alliance.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that: the Fiscal Year 2010 Budget is hereby amended to include a General Fund appropriation in the amount of \$ 3,743 (10,000-6,257) for a contribution to the Baldwin County Economic Development Alliance.

APPROVED AND ADOPTED by the Mayor and City Council of the City of Daphne, Alabama, this _____ day of _____, 2010.

August Palumbo, Council President

Fred Small, Mayor

ATTEST:

David L. Cohen, City Clerk MMC

ORDINANCE 2010-17

2 Used Backhoes

WHEREAS, Ordinance 2009-52 approved and adopted the Fiscal Year 2010 Budget on October 19, 2009; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2010 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2010 budget; and

WHEREAS, in prior fiscal years, the City has leased 2 backhoes for use in the Public Works Department; and

WHEREAS, such lease is up for renewal; and

WHEREAS, a comparison of the cost of leasing vs. purchasing used pieces of equipment was prepared; and

WHEREAS, it was determined that it would be less costly over the life of the equipment to purchase used backhoes rather than lease 2 new ones; however, the FY 10 budget does not include an appropriation for the purchase of such used equipment.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that: the Fiscal Year 2010 Budget is hereby amended to include a General Fund appropriation in the amount of \$ 47,751 for the purchase of 2 used backhoes.

APPROVED AND ADOPTED by the Mayor and City Council of the City of Daphne, Alabama, this _____ day of _____, 2010.

August Palumbo, Council President

Fred Small, Mayor

ATTEST:

David L. Cohen, City Clerk MMC

**CITY OF DAPHNE, ALABAMA
ORDINANCE NO. 2010-18**

**Zoning District Map
Revision to Appendix H of 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 January 28, 2010 , favorably recommended to the City Council of the City of Daphne certain amendments to the Zoning District Map approved and adopted by the Daphne Land Use and Development Ordinance No. 2002-22, referenced in Appendix H "Exhibit A" thereof and amended by Ordinance No. 2003-06, Ordinance No. 2005-11, Ordinance No. 2006-24, Ordinance No. 2006-73, Ordinance No. 2007-15, Ordinance 2007-48 and Ordinance 2008-56, Ordinance 2009-19, Ordinance 2009-60; and

WHEREAS, said amendments are necessary due to various rezoning and annexation requests which have been approved since the adoption of Ordinance No. 2002-22, Ordinance 2003-06, Ordinance No. 2005-11, Ordinance No. 2006-24, Ordinance No. 2006-73, Ordinance No. 2007-15, Ordinance 2007-48, Ordinance 2008-56, Ordinance 2009-19 and Ordinance No. 2009-60; 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 April 5, 2010; 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 Exhibit "A" of the City of Daphne Land Use and Development Ordinance, as set forth in Ordinance No. 2002-22 and its amendments.

SECTION II: REPEALER

Ordinances No. 2002-22, Appendix H "Exhibit A", 2003-06, 2005-11, 2006-24, 2006-73, 2007-15, 2007-48, 2008-56, 2009-19 and 2009-60 are specifically 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 THE ____ DAY OF _____, 2010.**

**AUGUST A. PALUMBO,
COUNCIL PRESIDENT**

**FRED SMALL,
MAYOR**

ATTEST:

**DAVID L. COHEN,
CITY CLERK, MMC**

EXCERPTS FROM THE MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA HELD ON APRIL 5, 2010

The City Council of the City of Daphne, Alabama met at the City Hall in the City of Daphne on April 5, 2010 at 6:30 p.m., Central Time. The following members of the City Council of the City of Daphne, Alabama were:

PRESENT

ABSENT

_____ acted as Chairman of the meeting and David L. Cohen, City Clerk, acted as Clerk of the meeting. The chairman stated that a quorum was present and declared the meeting open for the transaction of business.

* * * * *

The Chairman then stated that it would be appropriate to consider a resolution providing for the early call and redemption of certain of the City's outstanding debt obligations. The following resolution and order was thereupon introduced in writing by Councilmember _____:

**A RESOLUTION CALLING FOR THE REDEMPTION OF THE CITY'S
SERIES 1997 WARRANTS**

BE IT RESOLVED by the City Council of the City of Daphne, Alabama (the "Council"), as follows:

Section 1. Findings of Fact. The Council has determined and hereby finds and declares that the following facts are true and correct:

- (a) The City of Daphne, Alabama (the "City") has heretofore issued pursuant to an Ordinance adopted by the Council on August 18, 1997, ordinance number 1997-20 (the "1997 Ordinance"), its City of Daphne General Obligation Refunding and Improvement Warrants, Series 1997, dated August 1, 1997, originally issued in the aggregate principal amount of \$10,445,000 (the "Series 1997 Warrants").
- (b) The Series 1997 Warrants are currently outstanding in the aggregate principal amount of \$1,910,000.
- (c) The City desires to refund all of the outstanding Series 1997 Warrants.
- (d) The City is not in default in the payment of principal of or interest on the Series 1997 Warrants or under the 1997 Ordinance.

Section 2. Call for Redemption of the Series 1997 Warrants. Acting pursuant to the provisions of the Series 1997 Warrants and the 1997 Ordinance, the City does hereby elect to redeem and pay, and does hereby call for redemption and payment \$1,910,000 in aggregate principal amount of the Series 1997 Warrants (being all of the Series 1997 Warrants maturing after April 1, 2010), the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 1997 Warrant so called for redemption plus accrued interest thereon to the date fixed for redemption. Such redemption and payment shall be subject to the condition that the City shall have issued its General Obligation Refunding Revenue Warrants, Series 2010, and shall occur on the earliest date determined by the paying agent for the Series 1997 Warrants to be practical and expedient after the issuance of such Series 2010 Warrants.

Section 3. Provisions for Notice for the Series 1997 Warrants. The Bank of New York Mellon Trust Company, N.A. in Birmingham, Alabama is hereby directed, in its capacity as paying agent for the Series 1997 Warrants, to cause written notice of such redemption and prepayment to be given in the manner and at the time prescribed in the 1997 Ordinance.

Section 4. Authorization. The Mayor of the City, the City Clerk of the City and the City Treasurer of the City are each hereby authorized and directed to take or cause to be taken, in the name and behalf of the City, all of the actions required by the provisions of the 1997 Ordinance under which the Series 1997 Warrants were issued to be taken in order to effect the redemption as of the Series 1997 Warrants as herein called for redemption.

Councilmember _____ moved that the foregoing resolution be adopted and spread upon the minutes of this meeting, which motion was seconded by Councilmember _____, and, on roll call the following vote was registered:

YEAS

NAYS

The Chairman thereupon announced that said resolution had been carried by unanimous vote of the Council present.

* * * * *

The Chairman then stated that it would be appropriate to consider the issuance of \$_____ in aggregate principal amount of the City's General Obligation Refunding Warrants, Series 2010, for the purpose of refunding certain of the City's outstanding general obligation indebtedness and paying the expenses of issuing the City's General Obligation Refunding Warrants, Series 2010. The following ordinance was thereupon introduced in writing by Councilmember _____:

ORDINANCE NO. 2010-19

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF
\$ _____ OF GENERAL OBLIGATION REFUNDING WARRANTS
SERIES 2010**

BE IT ORDAINED by the City Council of the City of Daphne, Alabama, as follows:

ARTICLE I

**DEFINITIONS, USE OF WORDS AND
PHRASES, AND FINDINGS BY THE CITY**

Section 1.1 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:

“Bank” means The Bank of New York Mellon Trust Company, N.A., in its role as Warrant Registrar and Paying Agent.

“Business Day” means any day other than a Saturday, Sunday or day on which banking institutions are required or authorized to close in the city in which the designated corporate trust agency office of the Bank is located, or on which the Federal Reserve Bank is closed.

“City” means the municipal corporation in the State of Alabama known as the City of Daphne, Alabama, as it now exists, and any political subdivision resulting from any merger or consolidation thereof with any other political subdivision.

“City Clerk” means the city clerk of the City.

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

“Council” means the governing body of the City as from time to time constituted.

“Direct Participant” means securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations which participate in the Securities Depository with respect to the Warrants.

“Escrow Trust Agreement” means the Escrow Trust Agreement, dated as of _____, 2010 between the City and The Bank of New York Mellon Trust Company, N.A., as Escrow Trustee.

“Escrow Trustee” means The Bank of New York Mellon Trust Company, N.A., as escrow trustee for the Series 1997 Warrants under the terms of the Escrow Trust Agreement.

“Government Obligations” means direct obligations of the United States of America and obligations unconditionally guaranteed by the United States of America.

“Interest Payment Date” means, with respect to the Warrants, any [April 1 or October 1,] prior to payment thereof.

“Overdue Interest” means interest due but not paid on the Interest Payment Date on which such interest is required to be paid.

“Record Date” means, as to any Interest Payment Date, the [March 15 or September 15] immediately preceding such Interest Payment Date.

“Securities Depository” has the meaning given that term in Section 3.5 hereof.

“Series 1997 Warrants” means the City’s General Obligation Refunding and Improvement Warrants, Series 1997, dated August 1, 1997, originally issued in the aggregate principal amount of \$10,445,000.

“Treasurer” shall mean the treasurer of the City.

“Warrant Authorizing Law” means Section 4, Chapter 81 and Section 2, Chapter 47 of Title 11, Code of Alabama, 1975.

“Warrant Fund” means the special account created pursuant to Section 8.2 hereof.

“Warrant Holder” or **“Holder”** means the registered holder, from time to time, of any of the Warrants.

“Warrants,” unless otherwise indicated, means the \$_____ in aggregate principal amount of the City's General Obligation Refunding Warrants, Series 2010, as more particularly described in Article II hereof and issued hereunder.

Section 1.2 Use of Words and Phrases. The following provisions shall be applied wherever appropriate herein:

Whenever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

"Hereby", "herein", "hereinafter", "hereof", "hereunder" and other equivalent words refer to this Ordinance as a whole and not solely to any particular portion thereof in which any such word is used.

The definitions set forth in Section 1.1 hereof shall be deemed applicable whether the words defined are herein used in the singular or plural.

Section 1.3 Findings of Council. Having made due and proper investigation of the matters hereinafter referred to, the Council hereby finds and determines:

- (a) The City has heretofore issued pursuant to an Ordinance adopted by the Council on August 18, 1997, ordinance number 1997-20 (the “1997 Ordinance”), its City of Daphne General Obligation Refunding and Improvement Warrants, Series 1997, dated August 1, 1997, originally issued in the aggregate principal amount of \$10,445,000 (the “Series 1997 Warrants”).
- (b) The City is not in default on the payment of the principal of and the interest on the Series 1997 Warrants.
- (c) By a resolution previously adopted, the City has called all of the outstanding Series 1997 Warrants for redemption on April 1, 2010.
- (d) Pursuant to the Warrant Authorizing Law the City is authorized to issue its warrants, in order to refund outstanding indebtedness of the City.
- (e) It is necessary, advisable and in the interest of the public that the City issue its General Obligation Refunding Warrants, Series 2010 to refund the Series 1997 Warrants and to pay costs of issuance and sale of such Warrants.

ARTICLE II

AUTHORIZATION, DESCRIPTION, EXECUTION, PAYMENT AND FORM OF THE WARRANTS

Section 2.1 Authorization of the Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, and for the purpose of refunding all of the Series 1997 Warrants and paying the costs of issuance thereof, there is hereby authorized to be issued by the City \$_____ in aggregate principal amount of its General Obligation Refunding Warrants, Series 2010.

Section 2.2 Description of the Warrants. The Warrants shall be issued only in fully registered form, without coupons, shall be dated as of _____, 2010, shall be issued in principal amounts of \$5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in the order of their issuance and delivery. The Warrants shall bear interest from date (or in the case of a Warrant registered in the name of a Holder on or after [April 1], 2010 from the Interest Payment Date next preceding the date of such registration or, if the date of such registration is an Interest Payment Date, from the date of registration) at the rates shown below (calculated on the basis of a 360-day year of twelve 30-day months), payable on each [April 1 and October 1] until payment of the principal amount thereof, beginning [April 1], 2010 and, subject to the redemption provisions hereinafter set forth, shall mature on April 1 in the years and amounts as follows:

Year of	Amount	Interest
6		

<u>Maturity</u>	<u>Maturing</u>	<u>Rate</u>
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		

Section 2.3 Execution of the Warrants. The Warrants shall be executed in the name of the City by the manual or facsimile signatures of the Mayor of the City and its City Clerk inscribed or printed or otherwise reproduced thereon (it being herein provided that a condition to the validity of each Warrant is the manual execution on behalf of the Bank of the Registration Certificate endorsed on each Warrant). The Warrants shall be registered by the Treasurer of the City, in the records maintained by the Treasurer, as a claim against the City and the Warrant Fund, which registration shall be made simultaneously as to all the Warrants. The certificate of registration on each of the Warrants shall be executed by the Treasurer of the municipality by causing a facsimile of her signature to be imprinted thereon. The official seal of the City shall be impressed or printed or otherwise reproduced thereon and shall be attested by the aforementioned signature of the City Clerk. The said officers are hereby directed to cause the Warrants to be executed, sealed and registered in the manner provided by this section.

Section 2.4 Places and Medium of Payment of the Warrants. Principal of and interest on the Warrants shall be payable in lawful money of the United States of America. The principal of the Warrants shall be payable at the designated corporate trust agency office of the Bank, upon presentation and surrender of the Warrants as the same become due and payable. Interest on the Warrants shall be payable by check or draft mailed by the Bank to the lawful holders of the Warrants at the address shown on the registry books of the Bank pertaining to the Warrants as of the Record Date and shall be deemed timely made if so mailed on the Interest Payment Date (or if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

Section 2.5 Forms of the Warrants and Related Certificates. The Warrants, the certificate of registration thereof, the registration thereof as a claim against the Warrant Fund, and the form of assignment thereof shall be in substantially the following forms, with appropriate changes therein to conform to the applicable provisions hereof; provided, that the City may in its discretion cause a portion of the text hereinafter set forth to be printed on the reverse side of the Warrants, with appropriate reference thereto.

(Form of Series 2010 Warrant)

[FORM OF CAPTION FOR WARRANTS HELD IN BOOK ENTRY FORM]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF DAPHNE
GENERAL OBLIGATION REFUNDING WARRANT
SERIES 2010

MATURITY DATE

CUSIP NUMBER

INTEREST RATE

THE CITY OF DAPHNE, ALABAMA, a municipal corporation in the State of Alabama (the "City"), for value received, hereby acknowledges that it is indebted in the principal sum of

_____ DOLLARS

and hereby directs the Treasurer of the City to pay such principal sum to

or registered assigns, on the maturity date specified above or such earlier date as this Warrant may be called for redemption, and to pay (but solely out of the Warrant Fund) interest on such principal sum from the date hereof (or in the case of a Warrant registered in the name of the registered Holder hereof on or after _____, 2010, as evidenced by the Certificate of Registration attached hereto, from the Interest Payment Date next preceding the date of such registration or, if the date of such registration is an Interest Payment Date, from the date of registration), until such principal sum shall become due and payable, at the per annum rate of interest specified above. Interest shall be payable on [April 1 and October 1] in each year, beginning _____, 2010 (each such date herein called an

"Interest Payment Date"), and shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest shall be payable on overdue principal (and premium, if any) on this Warrant and (to the extent legally enforceable) on any overdue installment of interest on this Warrant at the rate borne hereby.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Authorizing Ordinance hereinafter described, be paid to the person in whose name this Warrant is registered at the close of business on the 15th day of the month next preceding such Interest Payment Date.

The Warrants are being issued by means of a book-entry system with no physical distribution of warrant certificates to be made except as provided in the Authorizing Ordinance (as hereinafter defined). One warrant certificate, in the aggregate principal amount of each maturity of the Warrants, registered in the name of Cede & Co. as nominee of the DTC, is being issued and required to be deposited with DTC (or an authorized banking institution acceptable to DTC) and immobilized in its custody. The book-entry system will evidence ownership of the Warrants, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to beneficial owners of the Warrants by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, and to participants or persons acting through such participants. While Cede & Co. is the registered owner of this Warrant, notwithstanding the provisions hereinabove contained, payments of principal, interest and any redemption premium on this Warrant will be made in accordance with the existing arrangements between the Paying Agent and DTC.

Subject to the foregoing paragraph, payment of interest on this Warrant due on each Interest Payment Date shall be made by check or draft mailed by the Paying Agent to the person entitled thereto at his address appearing in the Warrant Register maintained with respect to the Warrants. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a business day, on the business day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) this Warrant and payment of accrued interest on this Warrant due upon redemption shall be made only upon surrender of this Warrant at the designated corporate trust agency office of the hereinafter described Bank. Upon the terms and conditions provided in the Authorizing Ordinance, the Holder of any Warrant or Warrants in an aggregate principal amount of not less than \$100,000 may request that payment of interest on such Warrant or Warrants be made by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for same-day funds that is acceptable to the Bank. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Warrant is one of the duly authorized issue of warrants of the City, aggregating \$ _____ in principal amount, entitled "General Obligation Refunding Warrants, Series 2010" (the "Warrants") and issued under and pursuant to an ordinance duly adopted by the governing body

of the City (the "Authorizing Ordinance") and the constitution and laws of the State of Alabama, including particularly Section 4, Chapter 81, and Section 2, Chapter 47, of Title 11 of the Code of Alabama, 1975. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Authorizing Ordinance.

The Authorizing Ordinance provides that [The Bank of New York Mellon Trust Company, N.A.] (the "Bank"), will serve as Paying Agent and Registrar with respect to the Warrants unless and until a successor is appointed pursuant to the terms and conditions of the Authorizing Ordinance. For purposes of this Warrant and the Authorizing Ordinance, the principal office of the Bank shall mean the office where the Bank maintains its designated corporate trust agency office, as shall be designated by the Bank by written notice to the City and the Holders of the Warrants.

The indebtedness evidenced by the Warrants is a general obligation of the City for the payment of which the full faith and credit of the City have been irrevocably pledged, pro rata and without preference or priority of one Warrant over another.

Pursuant to the Authorizing Ordinance, the City has established a special fund for the payment of debt service on the Warrants (the "Warrant Fund") that will be held by the Bank. The City has obligated itself to pay or cause to be paid into the Warrant Fund from the taxes, revenues or other funds of the City sums sufficient to provide for the payment of debt service on the Warrants as the same becomes due and payable.

[The Series 2010 Warrants maturing on April 1, _____, will be subject to mandatory redemption prior to maturity (the particular Series 2010 Warrant or portions thereof to be selected by lot) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, in the principal amount and on the dates set forth below (the ____ amount to be paid rather than redeemed):

<u>April 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
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The Series 2010 Warrants, maturing on or after April 1, 20__ are subject to redemption prior to their maturity, at the option of the City, in whole or in part, on April 1, 20__, and on any date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the Series 2010 Warrants are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2010 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2010 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.]

If less than all Warrants then outstanding are called for redemption, the City shall specify the principal amount of Warrants to be redeemed and shall designate the maturities or portions thereof to

be redeemed and those Warrants (or portions thereof) of a single maturity to be redeemed shall be selected by lot by the Bank.

Written notice of the call for redemption of this Warrant (or portion of the principal thereof) shall be forwarded by registered or certified mail to the registered owner hereof, not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this Warrant is to be redeemed, the registered Holder hereof shall surrender this Warrant to the Bank in exchange for a new Warrant of like tenor herewith except in a principal amount equal to the unredeemed portion hereof. Upon the giving of notice of redemption in accordance with the provisions of the Authorizing Ordinance, the Warrants (or principal portions thereof) so called for redemption and prepayment shall become due and payable on the date specified in such notice, anything herein or in the Authorizing Ordinance to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for payment, and all future interest on the Warrants (or principal portion thereof) so called for prepayment shall cease to accrue after the date specified in such notice, whether or not the Warrants are so presented.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank, as Registrar and Transfer Agent of the City, and only upon surrender of this Warrant to such Registrar for cancellation, and upon any such transfer a new Warrant of like tenor herewith will be issued to the transferee in exchange therefor, all as more particularly described in the Authorizing Ordinance. Each Holder hereof, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that this Warrant may be transferred only in accordance with the provisions of the Authorizing Ordinance. Provision is also made in the Authorizing Ordinance for the exchange of Warrants for a like aggregate principal amount and in authorized denominations, all upon the terms and subject to the conditions set forth in the Authorizing Ordinance.

The Registrar shall not be required to transfer or exchange this Warrant during the period of fifteen (15) days next preceding any interest payment date; and, in the event that this Warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Registrar shall not be required to register or transfer this Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

Registration, transfer and exchange of Warrants, other than to replace mutilated, lost, stolen or destroyed Warrants, shall be without expense to the Holder or transferee, but the Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

It has been ascertained and found, and it is hereby certified and recited, that all conditions, actions and things required by the constitution and laws of Alabama to exist, be performed or happen precedent to or in the issuance of this Warrant and the creation of the indebtedness evidenced and ordered paid hereby exist, have been performed and have happened, that such indebtedness has been registered as a claim against the Warrant Fund and is lawfully due without condition, and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness of the

City, was when incurred and is now within every debt and other limit prescribed by the constitution and laws of Alabama.

Unless the Registration Certificate hereon has been executed by the Bank, as Registrar for the Warrants, by manual signature, this Warrant shall not be entitled to any benefit under the Authorizing Ordinance or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed in its behalf by the Mayor and by the City Clerk of the City, each of whom have caused their facsimile signatures to be hereunto imprinted, has caused the official seal of the City to be imprinted hereon, and has caused this Warrant to be dated _____, 2010.

CITY OF DAPHNE, ALABAMA

By _____
Its Council President

(SEAL)

By _____
Its Mayor

ATTEST:

By _____
City Clerk

* * * * *

(Form of Registration as Claim against Warrant Fund)

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

Treasurer of the
City of Daphne, Alabama

* * * * *

[Form of Registration Certificate]

This Warrant was registered in the name of the above-registered owner on the date hereinafter set forth.

[THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.]

By _____
Its Authorized Officer

DATE OF REGISTRATION: _____

(Form of Assignment)

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

Dated this the ____ day of _____, ____.

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

Signature guaranteed:
(Bank, Trust company or Firm)

By: _____
(Authorized Officer)

Its 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 Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP)

ARTICLE III
FURTHER PROVISIONS WITH RESPECT TO
WARRANTS

Section 3.1 Home Office Payment Agreement. Upon the written request of the Holder of any Warrant or Warrants in an aggregate principal amount of not less than \$100,000, the Bank will make payment of interest due on such Warrant or Warrants upon any Interest Payment Date by wire transfer to an account of 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 Bank, provided that payment of the principal of and redemption premium (if any) on such Warrant or Warrants shall be made only upon surrender of such Warrant or Warrants to the Bank, as Paying Agent.

Section 3.2 Interest After Payment Due Date. The Warrants, any premiums thereon and, to the extent legally enforceable, overdue installments of interest thereon, shall bear interest after the maturity dates thereof or such earlier date as they may be called for redemption, until paid or until money sufficient for the payment thereof shall have been deposited for that purpose with the Bank, at the respective rates borne thereby.

Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to the Warrant Holder solely by reason of such Warrant Holder having been the Holder on the Record Date next preceding the Interest Payment Date on which such interest became due and payable, but shall be payable by the Bank as follows:

- (a) Not less than ten (10) days following receipt by the Bank of immediately available funds in an amount sufficient to enable the Bank to pay all Overdue Interest, the Bank shall fix an Overdue Interest Payment Date for payment of such Overdue Interest, which date shall be not more than twenty (20) days following the expiration of the ten-day period after receipt of funds by the Bank;
- (b) Overdue Interest shall be paid by check or draft mailed by the Bank to the persons in whose names the Warrants were registered in the registry books of the Bank pertaining to the Warrants on the Overdue Interest Payment Date.

Payment of Overdue Interest in the manner herein prescribed to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date shall fully discharge and satisfy all liability for the same.

Section 3.3 Temporary Certificates. Pending the preparation of definitive Warrants the City may execute, and upon request of the City the Bank shall register and deliver, temporary certificates which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Warrants in lieu of which they are issued, but numbered from R-1 upwards, without other identification numbers, and with such other appropriate insertions, omissions, substitutions and other variations as the officers

executing such temporary certificates may determine, as evidenced by their execution of such temporary certificates.

Any such temporary certificates shall be executed by the manual signatures of the appropriate officers of the City as required in Article II of this Ordinance and be executed and attested by the City Clerk. All such temporary certificates shall have impressed thereon the seal of the City.

If temporary Warrants are issued, the City will cause definitive Warrants to be prepared without unreasonable delay. After the preparation of definitive Warrants, the temporary Warrants shall be exchangeable for definitive Warrants upon surrender of the temporary Warrants at the principal office of the Bank, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Warrants the City shall execute and the Bank shall authenticate and deliver in exchange therefor a like principal amount of definitive Warrants of like tenor, and in authorized denominations. Until so exchanged, temporary Warrants shall in all respects be entitled to the security and benefits of this Ordinance.

Section 3.4 Payments Due on a Day Other Than a Business Day. If any payment on the Warrants is due on a day which is not a Business Day, such payment shall be made on the first succeeding date which is a Business Day with the same effect as if made on the day such payment was due.

Section 3.5 Book Entry System. The City may from time to time enter into, and discontinue, an agreement with a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended (a “Securities Depository”), which is the owner of the Warrants, to establish procedures with respect to the Warrants, not inconsistent with the provisions of this Ordinance; provided, however, that any such agreement may provide:

- (a) that such Securities Depository is not required to present a Warrant to the Paying Agent in order to receive partial payment of principal;
- (b) that a legend shall appear on each Warrant so long as the Warrants are subject to such agreement; and
- (c) that different provisions for notice to such Securities Depository may be set forth therein.

So long as an agreement with a Securities Depository is in effect, the City, the Bank and any paying agent or bond registrar shall not have any responsibility or liability with respect to the payment of principal, purchase price, premium, if any, or interest on the Warrants to the Beneficial Owners or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or any payments made to such Beneficial Owners.

ARTICLE IV

GENERAL OBLIGATION; PROVISION FOR PAYMENT OF OBLIGATIONS

Section 4.1 General Obligation. The indebtedness evidenced by the Warrants is and shall be a general obligation of the City and the full faith and credit of the City are hereby irrevocably pledged to the payment of the principal thereof and interest thereon.

Section 4.2 Continued Levy of Taxes; Maintenance of Warrant Fund. The City agrees that, so long as the principal of or interest on any of the Warrants remains unpaid, the City will annually levy and collect taxes, insofar as such taxes may be permitted by the present or any future provisions of the Constitution of Alabama, in such amounts as may be necessary to provide for the payment of the principal of and interest on the Warrants. The City further agrees that so long as the principal of or interest on any of the Warrants remains unpaid it will deposit in the Warrant Fund with respect to such Warrants, not later than the 25th day of the month next preceding an Interest Payment Date, an amount which, when added to the amounts then on deposit in such Warrant Fund, will equal the principal, interest and redemption premium (if any) to come due with respect to the Warrants on such Interest Payment Date.

Section 4.3 Provision for Payment. (a) If the principal of and interest and redemption premium (if any) on the Warrants is paid in accordance with the terms thereof and this Ordinance, then all covenants, agreements and other obligations of the City to the Holders of such Warrants shall thereupon cease, terminate and become void and be discharged and satisfied. In the event the Warrants are so paid the Bank shall pay to the City any surplus remaining in the Warrant Fund.

(b) Warrants shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 4.3 if

- (1) the City and the Bank (or another bank acting as trustee) enter into an appropriate trust agreement under which there shall be deposited, for payment or redemption of such Warrants and for payment of the interest to accrue thereon until maturity or redemption, and any redemption premium thereon, Government Obligations and cash or any combination of cash and Government Obligations which, together with the income to be derived from such, will produce monies sufficient to provide for the payment, redemption and retirement of such Warrants as and when the same become due;
- (2) the City shall have adopted all necessary proceedings providing for the redemption of any such Warrants that are required to be redeemed prior to their respective maturities and shall have instructed the Bank or other trustee under the aforesaid trust agreement to provide such notices of redemption as are required under this Ordinance;

- (3) the City and the Bank shall have been furnished with an opinion of nationally recognized bond counsel to the effect that the creation of any such trust will not result in subjecting to federal income taxation the interest on any of the Warrants that are to be paid in accordance with such trust; and
- (4) the City and the Bank shall have been furnished a certificate of a firm of certified public accountants satisfactory to the Bank stating that such trust will produce monies sufficient to provide for the full payment and retirement of such Warrants as and when the principal of and interest and redemption premium (if any) on such Warrants shall come due.

ARTICLE V

REDEMPTION PROVISIONS

Section 5.1 Mandatory Redemption. [The Series 2010 Warrants having a stated maturity on April 1, 20__, will be subject to mandatory redemption prior to maturity (the particular Series 2010 Warrant or portions thereof to be selected by lot) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, in the principal amount and on the dates set forth below (the 20__ amount to be paid rather than redeemed):]

<u>April 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
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Section 5.2 Optional Redemption. [The Series 2010 Warrants, maturing on or after April 1, 20__ are subject to redemption prior to their maturity, at the option of the City, in whole or in part, on April 1, 20__, and on any date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the Series 2010 Warrants are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2010 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2010 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.

Section 5.3 Procedure for Redemption; Resolution Authorizing Redemption. Not more than sixty (60) or less than thirty (30) days prior to the Redemption Date, the City (or the Bank on behalf of the City) shall give, or cause to be given, written notice of such redemption and prepayment by United States mail, registered or certified, to the Holders of each of the Warrants to be redeemed, in whole or in part, at the address of such registered Holder as such address appears on the registry books of the Registrar, stating that the Warrants (or principal portions thereof) have been

called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date and that all interest thereon will cease to accrue after the Redemption Date. The holders of any of the Warrants to be redeemed may waive the requirements for notice with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants. The City shall cause to be paid and made available at the office of the Bank, on or prior to the Redemption Date, the total Redemption Price of the Warrants (or portions thereof) so called for redemption on such date. Out of the moneys so deposited with it, the Bank shall make provision for payment of the Warrants (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

In addition to the foregoing notice, further notice shall be given by the City to all registered securities depositories and to one or more national information services that disseminate notices of redemption of obligations such as the Warrants. No defect in the further notice required in this paragraph, and no failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described in the first paragraph of this Section 5.3.

Any optional redemption or prepayment of the Warrants or any portion thereof shall be effected upon a call by the City, as evidenced by a resolution of the Council, for redemption and prepayment of the Warrants to be so redeemed. Any such resolution pertaining to the Warrants shall state (i) that the City is not in default in the payment of the principal of or interest on any of the Warrants to be redeemed or (ii) that all of the Warrants then outstanding are to be retired on the Redemption Date.

Section 5.4 Result of Redemption of Warrants. Upon compliance with the requirements set forth in this Article V, and if the City is not on the Redemption Date in default in the payment of the principal of or interest on the Warrants, the Warrants (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price and on the Redemption Date specified in the notice provided for in Section 5.3, and the Holders thereof shall then and there surrender them for redemption; provided, however, that in the event that less than all of the outstanding principal of any Warrant is to be redeemed, the registered Holder thereof shall surrender the Warrant that is to be prepaid in part to the Bank in exchange, without expense to the Holder, for a new Warrant of like tenor except in a principal amount equal to the unredeemed portion thereof. All future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date.

ARTICLE VI

REGISTRATION AND TRANSFER OF THE WARRANTS

Section 6.1 Registration and Transfer of the Warrants. The Warrants shall be registered as to both principal and interest. Each Warrant shall have endorsed thereon a registration certificate substantially in the form provided in Section 2.5 hereof, and a condition to the validity of each Warrant shall be the manual execution of such certificate on behalf of the Bank. The Bank is hereby appointed as the Registrar and Transfer Agent for the Warrants, and shall be authorized to keep at its designated corporate trust agency office, proper registry books in which it shall register the Warrants, as to both principal and interest, noting the registry on the Warrants so presented. Such registration shall conclusively designate the Warrant Holder as the sole person to whom or on whose order the payment of the principal of and interest on the Warrants so registered may be made. After such registration no transfer of a Warrant so registered shall be valid unless it is presented at the said office with written power to transfer, properly stamped if required, in form and with guaranty of signature satisfactory to the Registrar, and such new registration noted thereon by the Registrar. The Registrar shall not be required to transfer or exchange such Warrant during the period of fifteen (15) days next preceding any interest payment date. If any Warrant shall be duly called for redemption pursuant to the provisions hereof, the Registrar shall not be required to transfer such Warrant during the period of sixty (60) days next preceding the date fixed for its redemption.

Section 6.2 Exchange of Warrants. Upon request of the Holder of any Warrant, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of the Warrant or Warrants, in exchange therefor, a Warrant or Warrants of the same tenor in different authorized principal amounts (of \$5,000 or integral multiples thereof), together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the persons surrendering such Warrant or Warrants.

Section 6.3 Costs of Registration, Transfer and Exchange. The registration, transfer and exchange of Warrants (other than pursuant to Section 6.5 hereof) shall be without expense to the Holder or transferee. In every case involving a 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 6.4 Effect of Registration. The City, the Registrar, and the Paying Agent may deem and treat the person in whose name a Warrant is registered on the books of the Registrar 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 of such payment, fully discharge all liability thereof.

Section 6.5 Replacement of Mutilated, Lost, Stolen or Destroyed Warrants. In the event that 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; provided, that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank

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 6.6 Provisions with Respect to Bank. (a) Appointment of Bank and Acceptance of Duties. The Bank is herein designated and appointed and shall act as registrar, transfer agent and payment agent with respect to the Warrants. By its acceptance of such duties hereunder, the Bank shall accept and agree to perform the duties required by this Ordinance, subject, however, to the following conditions:

- (i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.
- (ii) In the absence of bad faith or negligence on its part, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Ordinance; provided, however, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Ordinance.
- (iii) The Bank shall not be answerable for other than its gross negligence or willful default and the Bank may act through its agents and attorneys with respect to any of its duties hereunder.
- (iv) No provision of this Ordinance shall be construed to relieve the Bank from liability for its own gross negligence or willful misconduct, except that no provision of this Ordinance shall require the Bank to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
- (v) The Bank may consult counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of counsel, provided that its action or inaction is not contrary to any express provision hereof.
- (vi) The Bank need not recognize a Holder of a Warrant as such without the satisfactory establishment of his title to such Warrant.
- (vii) Any action taken by the Bank at the request of and with the consent of the Holder of a Warrant will bind all subsequent Holders of the same Warrant and any Warrant issued hereunder in lieu thereof.

- (viii) The Bank may be a Holder or a pledgee of any of the Warrants as if not Bank hereunder.
- (ix) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.
- (x) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.
- (xi) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.
- (xii) The Bank shall, upon reasonable written request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.
- (xiii) The recitals of fact herein and in the Warrants are statements by the City and not by the Bank, and the Bank is in no way responsible for the validity or security of the Warrants or the validity of the security afforded hereby.

(b) Resignation by Bank. The Bank and any successor Bank may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date, postage prepaid, to the City and to every Holder of a Warrant. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Warrants as herein provided, such date shall be at least sixty (60) days after the date on which notice to the City and the Holders of the Warrants shall have been mailed.

(c) Removal of Bank. The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Warrants then outstanding.

(d) Appointment of Successor Bank; Interim Bank. In case the Bank shall resign, be removed, 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 may be appointed by Holders of a majority in aggregate principal amount of Warrants then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor, shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Warrants, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Warrants.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States registered or certified mail, postage prepaid, to every Holder of a Warrant. When the appointment of a successor Bank, as selected by the Holders of a majority in principal amount of the Warrants then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$25,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(e) Concerning any Successor Bank. Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(f) Merger or Consolidation of Bank. Any corporation into which the bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Warrants shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Warrants and deliver such Warrants with the same effect as if such successor Bank had itself registered such Warrants.

(g) Compensation of Bank. Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Warrants, and also all its reasonable expenses, charges, counsel fees, costs and expenses and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

(h) If the Bank is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Bank's negligence or willful misconduct), the Bank shall notify the City of the same in writing and the City shall promptly pay the Bank for such extraordinary fees, costs and expenses (including reasonable attorney's fees, costs and expenses) reasonably and necessarily incurred in connection therewith.

ARTICLE VII

EXECUTION AND DELIVERY OF THE WARRANTS; APPROVAL OF SALE; USE OF PROCEEDS THEREFROM

Section 7.1 Authority to Execute and Deliver the Warrants. The Mayor of the City, the City Clerk and the Treasurer are hereby authorized and directed to cause the Warrants to be executed, sealed, attested and registered as a claim against the City and the Warrant Fund as provided herein and delivered to the purchaser thereof upon payment to the City of the sale price therefor.

Section 7.2 Application of Proceeds of Sale; Additional Sums. The gross proceeds derived from the sale of the Warrants shall be used solely for the following purposes:

- (i) The amount of \$_____, which represents accrued interest on the Warrants to the date of their delivery, shall be deposited in the Warrant Fund and applied for payment of the interest coming due on the next Interest Payment Date;
- (ii) The amount of \$_____ shall be deposited with _____ in the Issuance Expense Fund and applied for the purposes described in Section 8.1.
- (iv) The amount of \$_____, shall be paid to the Escrow Agent and deposited into the Escrow Fund created under the Escrow Trust Agreement to provide for the refunding of the Series 1997 Warrants.

ARTICLE VIII

CREATION OF ISSUANCE EXPENSE FUND AND WARRANT FUND; COVENANTS WITH RESPECT TO WARRANT PROCEEDS

Section 8.1 Issuance Expense Fund. There is hereby created a special fund of the City designated the “Series 2010 Warrant Issuance Expense Fund” (herein called the “Issuance Expense Fund”) which shall be maintained until the costs and expenses incurred by the City in connection with the issuance and sale of the Warrants shall be paid in full. Wachovia Bank, National Association shall be the depository for the Issuance Expense Fund.

Simultaneously with the issuance and delivery of the Warrants, the City shall deposit or cause to be deposited into the Issuance Expense Fund, out of proceeds derived from the sale of the Warrants, an amount equal to the amount required for payment of the expenses of issuing the

Warrants. The City will apply the moneys deposited into the Issuance Expense Fund solely for payment of the expenses of issuing the Warrants, as and when such expenses become due and payable.

The Mayor, the Treasurer or any other person designated in writing by the Mayor or the Treasurer, are hereby authorized and directed to cause the said expenses to be paid, as promptly as may be feasible following the closing of the sale of the Warrants, and to make withdrawals from the Issuance Expense Fund for the said purpose. In the event that the moneys deposited into or transferred into the Issuance Expense Fund are not sufficient to pay all expenses of issuing the Warrants, the Mayor is hereby authorized and directed to pay, out of any funds of the City available therefor, the balance of the expenses of issuing the Warrants. Any amount remaining in the Issuance Expense Fund after the City certifies that all issuance expenses have been paid in full, shall be transferred and deposited into the Warrant Fund.

Section 8.2 Warrant Fund. There is hereby created a special account, the full name of which shall be the "City of Daphne Warrant Fund, 2010." The Warrant Fund shall be maintained as a separate fund until payment in full of the principal of and interest on the Warrants. The Bank is hereby designated as the custodian of the Warrant Fund.

On or before the 25th day of the month next preceding any Interest Payment Date, the City shall deposit into the Warrant Fund an amount which, when added to the amounts already on deposit therein, will be sufficient to provide for the payment of all principal of and interest and redemption premium on the Warrants coming due on such Interest Payment Date. Monies deposited in the Warrant Fund shall be used by the Bank for the payment of principal, interest and redemption premium (if any) on, the Warrants, and for no other purpose until the payment in full of the Warrants.

Section 8.3 Investment of Moneys in Accounts. Pending the expenditure of moneys in the Warrant Fund for any other purpose, the City shall have the privilege at any time and from time to time of investing and reinvesting, or causing to be invested and reinvested, all or part of the moneys at any time on deposit in such account, in Government Obligations or in money market funds of the Bank consisting of Government Obligations. Pending the expenditure of moneys in the Issuance Expense Account for any other purpose, the City shall have the privilege at any time and from time to time of investing and reinvesting, or causing to be invested and reinvested, all or part of the moneys at any time on deposit in such account in Government Obligations, money market funds of the Bank consisting of Government Obligations, or certificates of deposit issued by banks or trust companies having at the time of the deposit combined capital, surplus and undivided profits of not less than \$5,000,000.

The Bank is hereby directed to invest and reinvest such amounts promptly upon receipt of, and in accordance with, the written instructions of the City. The Bank may conclusively rely upon the City's written instructions as to both the suitability and legality of the directed investments. In the absence of written investment instructions from the City, the Bank shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. The Bank shall not be liable for any losses from such directed investments.

Section 8.4 Security for Funds. Any money on deposit in any fund or account or held by the Bank pursuant to this Ordinance shall, unless invested as provided herein or secured by the Federal Deposit Insurance Corporation (or any successor agency of the United States of America), be secured for the benefit of the City and the Holders by holding on deposit as collateral security direct obligations of the United States of America or obligations unconditionally guaranteed by the United States of America, or other marketable securities eligible as security for the deposit of public funds under the regulations of the Comptroller of the Currency, having a market value (exclusive of accrued interest) not less than the amount of money being secured.

Section 8.5 Covenants with Respect to Exemption of Interest from Federal Income Taxation; Non-Arbitrage Covenant. The City acknowledges and agrees that the Warrants are to be issued in compliance with the conditions necessary for the interest income thereon to be exempt from federal income taxation pursuant to the relevant provisions of the Code. The City hereby covenants and agrees as follows:

- (a) It will not use or apply the proceeds of the Warrants or direct the investment of moneys in any funds or accounts established or maintained with respect to the Warrants in such manner as to constitute any Warrant an "arbitrage bond" within the meaning of Section 148 of the Code;
- (b) It will make timely rebate payments to the United States of America with respect to any "excess" arbitrage profits as required by Section 148(f) of the Code;
- (c) It will maintain all records required by Section 148(f) of the Code and the applicable regulations thereunder and shall furnish such data or information regarding compliance with Section 148(f) of the Code as any Holder shall reasonably request in writing, which records shall be furnished to any Holder upon its request;
- (d) It will, within 60 days after a written request of the Bank therefor, furnish to the Bank and to any Holder a certificate by an independent certified public accountant or opinion of nationally recognized bond counsel stating that as of such date it had made all rebate payments to the United States of America necessary to prevent the Warrants from becoming "arbitrage bonds" under Section 148(f) of the Code;
- (e) Proceeds of the Warrants shall not be used in any private business use; payment of the Warrants shall not be secured by, or derived from, property used in a private business use; proceeds of the Warrants shall not be used to make or finance

loans to persons other than governmental units; and proceeds of the Warrants shall not be used in any manner that would cause the Warrants to be or become private activity bonds, as defined in Section 141 of the Code;

- (f) It will not cause or permit the Warrants to be federally guaranteed, within the meaning of Section 149(b) of the Code; and
- (g) It will not in any other way cause or permit the proceeds of the Warrants to be used in a manner which would cause the interest on the Warrants to lose the exemption from federal income taxation as provided under the Code and the applicable regulations thereunder and will comply with all applicable provisions of the Code (including, without limitation, the provisions relating to post-issuance actions affecting tax exemption) to the extent necessary for interest on the Warrants to be excludable from gross income of the holders thereof.
- (h) It has in place procedures providing for compliance with each of the matters described above and for keeping records with respect to such compliance.

ARTICLE IX

APPROVAL OF OFFICIAL STATEMENT; AUTHORIZATION OF CONTINUING DISCLOSURE AGREEMENT; AUTHORIZATION OF DISCLOSURE DISSEMINATION AGREEMENT; APPROVAL OF ESCROW TRUST AGREEMENT; APPROVAL OF SALE; MISCELLANEOUS PROVISIONS

Section 9.1 Approval of Official Statement. An official statement with respect to the Warrants, in substantially the form presented at the meeting at which this Ordinance is adopted, is hereby approved, and the Mayor of the City is hereby authorized and directed to sign an official statement on behalf of the City in substantially the form herein approved, with such changes therein and additions thereto as shall be necessary to conform to the provisions of this Ordinance authorizing the Warrants and such other changes and additions as the Mayor of the City shall deem necessary and appropriate. The preparation and distribution of such official statement on behalf of the City by Gardnyr Michael Capital, Inc. is hereby ratified and approved and such Official Statement is hereby deemed final within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The final official statement shall be in substantially the same form as the official statement herein approved, with such additions, insertions, omissions or other changes as

may be approved by the Mayor of the City and the execution of the final official statement by the Mayor of the City as hereby authorized shall be conclusive evidence of any such approval.

Section 9.2 Authorization of Continuing Disclosure Agreement. Upon delivery of the Warrants to the purchaser thereof, the Mayor and Finance Director of the City are hereby authorized and directed to execute and deliver for and on behalf of the City, the Continuing Disclosure Agreement in substantially the form presented at the meeting of the Council at which this Ordinance is adopted. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder or with respect to the Warrants; provided, however, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 9.4. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Warrants for federal income tax purposes.

Section 9.3 Authorization of Disclosure Dissemination Agreement. Upon the delivery of the Warrants to the purchaser thereof, the Mayor and City Clerk of the City are hereby authorized and directed to execute and deliver for an on behalf of the City, the Disclosure Dissemination Agreement in substantially the form presented at the meeting of the Council at which this Ordinance is adopted.

Section 9.4 Authorization of Escrow Trust Agreement. Upon the delivery of the Warrants to the purchaser thereof, the Mayor and City Clerk of the City are hereby authorized and directed to execute and deliver for an on behalf of the City, the Escrow Trust Agreement in substantially the form presented at the meeting of the Council at which this Ordinance is adopted. [The Bank of New York Mellon Trust Company, N.A.,] as the Escrow Trustee under the Escrow Trust Agreement, is authorized and directed to cause the money's held by it thereunder to be invested in the manner specified therein.

Section 9.5 Sale of Warrants. The City does hereby approve (i) the sale of the Warrants to Gardnyr Michael Capital, Inc. at a purchase price of \$_____, which amount reflects an underwriter's discount of \$_____ and original issue discount/premium of \$_____, plus accrued interest from _____, 2010 to the date of delivery, and (ii) the execution of the Purchase Agreement dated _____, 2010 between the City and Gardnyr Michael Capital, Inc. in the form presented at the meeting at which this Ordinance is adopted.

Section 9.6 Further Acts. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and execute and deliver any and all other

documents as may be necessary in the issuance of the Warrants and in the delivery of the Official Statement or as contemplated by this Ordinance.

The Mayor and City Clerk are authorized and directed to prepare and furnish to the purchaser of the Warrants, when the Warrants are issued, certified copies of all the proceedings and records of the Council relating to the Warrants, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Warrants as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

Section 9.7 Contractual Provisions. The provisions of this Ordinance shall constitute a contract between the City and the Holders at any time of the Warrants. Upon payment in full of the principal of and interest on the Warrants the obligations of the City hereunder shall cease with respect thereto.

Section 9.8 Warrants Payable at Par. Each bank at which the Warrants may 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 all remittances made by it on the Warrants shall be made in bankable funds at par and without deduction for exchange, fees or expenses.

Section 9.9 Severability. The various provisions of this Ordinance are hereby declared to be severable. In the event any provisions hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

Section 9.10 Repeal of Conflicting Provisions. All resolutions, orders or parts thereof in conflict with this Ordinance are to the extent of such conflict are hereby repealed.

After discussion, Councilmember _____ moved that the foregoing ordinance and order be adopted and spread upon the minutes of this meeting, which motion was seconded by Councilmember _____, and, on roll call the following vote was registered:

YEAS

NAYS

The Chairman thereupon announced that the said ordinance had been carried by unanimous vote of the Council present.

* * * * *

There being no further business to come before the meeting, the meeting was, upon motion duly made, seconded and unanimously carried, adjourned.

Mayor

[SEAL]

ATTEST:

City Clerk

CLERK'S CERTIFICATE

I, David L. Cohen, City Clerk of the City of Daphne, Alabama, DO HEREBY CERTIFY that the foregoing pages of typewritten material constitute excerpts from minutes of meeting of the City Council of Daphne, Alabama, held on April 5, 2010, pertaining to the City's General Obligation Refunding Warrants, Series 2010, which meeting was called and assembled and was open to the public and at which a quorum was present and acting throughout, and that the original of said minutes appears of record in the minute books of the City Council of Daphne, Alabama, which are in my custody and control.

Given under my hand and the seal of the City of Daphne, Alabama, this ___ day of _____, 2010.

[SEAL]

City Clerk of the
City of Daphne, Alabama

PRELIMINARY OFFICIAL STATEMENT DATED APRIL ____, 2010

NEW ISSUE

**Ratings: Moody's: Aa3
Standard & Poor's: AA
(See "RATINGS" herein)**

In the opinion of Bond Counsel, assuming continuing compliance by the City with certain conditions imposed by the Internal Revenue Code of 1986, referred to herein under "Tax Matters," the interest income on the Series 2010 Warrants (i) will be excludable from gross income of the recipients thereof for federal income tax purposes, and (ii) will not be an item of tax preference for purposes of the alternative minimum tax on individuals and corporations. However, see "Tax Matters" herein for certain other federal tax consequences to the recipients of the interest income on the Series 2010 Warrants. Bond Counsel is of the further opinion that the interest income on the Series 2010 Warrants is, under existing statutes and regulations, exempt from Alabama income taxation.

\$2,185,000*
CITY OF DAPHNE, ALABAMA
General Obligation Refunding Warrants
Series 2010

Dated: _____, 2010

Due: April 1, as shown below

Interest on the Series 2010 Warrants is payable semiannually on April 1 and October 1 in each year, commencing October 1, 2010. The Series 2010 Warrants when issued will be issued in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2010 Warrants. Purchases of beneficial interest in the Series 2010 Warrants will be made in book-entry form, in denominations of \$5,000 or any integral multiple thereof. Except as herein described, purchasers will not receive certificates representing their beneficial interests in the Series 2010 Warrants. So long as DTC or its nominee, Cede & Co. is the registered owner of the Series 2010 Warrants, payments of principal and interest will be made directly to DTC or to such nominee. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of Direct Participants and Indirect Participants of DTC, all as more fully described herein.

The Series 2010 Warrants are subject to optional and mandatory redemption prior to maturity as more fully described herein.

<u>Year of Maturity</u>	<u>Amount Maturing*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Cusip</u>	<u>Year of Maturity</u>	<u>Amount Maturing*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Cusip</u>
2010	180,000				2014	335,000			
2011	105,000				2015	340,000			
2012	190,000				2016	345,000			
2013	330,000				2017	360,000			

(Plus accrued interest from _____, 2010)

The Series 2010 Warrants are offered when, as and if issued by the City of Daphne, Alabama, at the offering price set forth above, subject to the approval of the validity thereof by Hand Arendall LLC, Mobile, Alabama, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Ross, Jordan & Gray, P.C., Mobile, Alabama. It is expected that the Series 2010 Warrants in definitive form will be available for delivery through DTC in New York, New York on or about April __, 2010.

Gardnyr Michael Capital, Inc.

Date: April __, 2010

*Preliminary: Subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Warrants may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell the solicitation of an offer to buy, nor shall there be any sale of the Warrants in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

CITY OF DAPHNE, ALABAMA

Mayor

Fred Small

City Council Members

Bailey Yelding, Jr.

Cathy Barnette

John L. Lake

Gregory W. Burnam

Ron Scott

Derek Boulware

August Palumbo

City Clerk

David L. Cohen

City Treasurer

Kimberly M. Briley

Counsel to the City

Ross, Jordan & Gray, P.C.

Mobile, Alabama

Bond Counsel

Hand Arendall LLC

Mobile, Alabama

Underwriter

Gardnyr Michael Capital, Inc.

Mobile, Alabama

In connection with the sale of the Series 2010 Warrants herein described, no person has been authorized to give any information or to make any representation not contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by the City of Daphne, Alabama. The information in this Official Statement has been obtained from the City and other sources which are considered dependable and which are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any of such Series 2010 Warrants, nor shall there be any sale of such Series 2010 Warrants by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2010 Warrants shall under any circumstances create any implication that there has been no change in the affairs of the City of Daphne, Alabama, since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2010 WARRANTS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 WARRANTS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
CITY OF DAPHNE, ALABAMA

\$2,185,000*
General Obligation Refunding Warrants
Series 2010

INTRODUCTION

This Official Statement provides certain information in connection with the sale and issuance by the City of Daphne, Alabama (the "City") of \$2,185,000* principal amount of its General Obligation Refunding Warrants, Series 2010, dated _____, 2010 (the "Series 2010 Warrants"). The Series 2010 Warrants will be issued pursuant to the Constitution and laws of the State of Alabama and an ordinance (the "Warrant Ordinance") adopted by the governing body of the City on _____, 2010. The Warrant Ordinance will constitute a contract with the holders of the Series 2010 Warrants.

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Warrant Ordinance or any contract, indenture, ordinance, resolution or other document or official act related to the Series 2010 Warrants are qualified in their entirety by the exact terms of such documents or official acts which are items of public record available from the City. All references herein to, or summaries of, the Series 2010 Warrants are qualified in their entirety by the definitive form thereof and the information with respect thereto included in the Warrant Ordinance.

PURPOSES OF THE SERIES 2010 WARRANTS

The City has determined to issue the Series 2010 Warrants for the purposes of refunding certain outstanding warrants of the City and paying the expenses of issuing the Series 2010 Warrants.

Refunding Plan

Simultaneously with the delivery of the Series 2010 Warrants the City will enter into a trust agreement (the "Escrow Trust Agreement") requiring the City to deposit with The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Escrow Trustee"), certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2010 Warrants. Substantially all of such monies are required to be invested by the Escrow Trustee in United States Treasury obligations, the principal of and interest on which will mature on dates and in amounts sufficient to allow the Escrow Trustee to apply monies in the trust fund established under the Escrow Trust Agreement (the "Escrow Trust Fund") for the purposes and on the dates as hereinbelow described. Such obligations, together with any remaining cash, will be held by the Escrow Trustee for the benefit of the holders of the City's General Obligation Refunding and Improvement Warrants, Series 1997 (the "Series 1997 Warrants"), issued in the aggregate principal amount of \$10,445,000 and currently outstanding in the aggregate principal amount of \$1,910,000. The Series 1997 Warrants are payable as to principal and interest on April 1 and October 1, and are subject to redemption prior to maturity on _____ (the "Call Date") at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. Those of the Series 1997 Warrants maturing after the Call Date will be called for redemption and prepaid from the Escrow Trust Fund on the Call Date.

*Preliminary: Subject to change.

Monies in the Escrow Trust Fund are required to be applied to the payment of the principal of and interest on the Series 1997 Warrants as the same mature or become due and to the payment of the redemption price of those of the Series 1997 Warrants to be called and redeemed, as shown above.

Estimated Sources and Use of Proceeds

The estimated sources and uses of funds for this financing are as follows:

Sources of Funds:

Par Amount
Less Original Issue Discount/
Plus Original Issue Premium

Total

Uses of Funds:

Deposit into Escrow Trust Fund
Underwriting Discount
Issuance Expense

Total

THE SERIES 2010 WARRANTS

Description of the Series 2010 Warrants

The Series 2010 Warrants will be fully registered warrants issued initially in the denomination of \$5,000 or any integral multiple thereof and subject to exchange as hereinafter provided. The Series 2010 Warrants will be dated April __, 2010, will bear interest payable on October 1, 2010, and semiannually on each April 1 and October 1 thereafter at the rates set forth on the cover hereof and will mature on the dates and in the principal amounts set forth on the cover hereof. The principal of and the interest on any Series 2010 Warrant will bear interest from their respective due dates until paid at the rate of interest borne by the principal of such Series 2010 Warrant prior to maturity.

The principal of and the premium, if any, on the Series 2010 Warrants will be payable, with par clearance guaranteed, at the designated corporate trust agency office of The Bank of New York Mellon Trust Company, N.A. in Birmingham, Alabama, the registrar, transfer agent and paying agent for the Series 2010 Warrants (said bank acting in such capacity, together with any successor thereto, being herein called the "Registrar" or "Paying Agent"). The interest payable on the Series 2010 Warrants on each interest payment date will be paid by check or draft mailed by the Registrar to the registered holders thereof on such interest payment date. If any interest payment date shall fall on a Saturday, Sunday or legal holiday on which the Registrar is not open for business, such payment shall be made on the next following business day.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2010 Warrants. The Series 2010 Warrants will be issued as fully-registered Series 2010 Warrants in the name of Cede & Co., (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Series 2010 Warrants and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Paying Banking law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010 Warrants under the DTC system must be made by and through Direct Participants, which will receive a credit for the Series 2010 Warrants on DTC’s records. The ownership interest of each actual purchaser of each Series 2010 Warrant (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2010 Warrants are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2010 Warrants, except in the event that the use of the book-entry system for the Series 2010 Warrants is discontinued.

To facilitate subsequent transfers, all Series 2010 Warrants deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010 Warrants with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Warrants; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Warrants are being redeemed, DTC's practice is to determine by lot the amount of the beneficial interest of each Direct Participant in such Series 2010 Warrants to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2010 Warrants unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and premium, if any, and interest payments on the Series 2010 Warrants will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the City or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and the Paying Agent; disbursement of such payments to Direct Participants is the responsibility of DTC; and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2010 Warrants at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Warrant certificates are required to be printed and delivered. In addition, the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Warrant certificates will be printed and delivered as described below.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the City believes to be reliable, but the City and the Underwriter take no responsibility for the accuracy thereof.

None of the City, the Underwriter or the Paying Agent has any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in any global Bond or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Discontinuation of Book-Entry System

In the event the book-entry system is discontinued, Warrant certificates in fully registered form would be delivered to, and registered in the names of, the Direct Participants, or such other persons as such Direct Participants may specify (which may be the Indirect Participants or Beneficial Owners), in denominations of \$5,000 or any integral multiple thereof. The ownership of the Series 2010 Warrants so delivered (and any Series 2010 Warrants thereafter delivered upon a transfer or exchange described below) would be registered in

the registration books to be kept by the Paying Agent as the Warrant registrar for the City. Except as provided in the Warrant Ordinance, the City and the Paying Agent are entitled to treat the registered owners of such Series 2010 Warrants, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Warrant Ordinance. See "Certain Provisions Respecting Registration and Transfer of the Series 2010 Warrants" below.

Certain Provisions Respecting Registration and Transfer of the Series 2010 Warrants

The Series 2010 Warrants shall be registered as to both principal and interest and may be transferred only on the registry books of the Paying Agent pertaining to the Series 2010 Warrants of each Series. No transfer of the Series 2010 Warrants shall be permitted except upon presentation and surrender of such Warrant at the office of the Paying Agent with written power to transfer signed by the registered owner thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Paying Agent. The Paying Agent will not be required to register or transfer any Warrant during the period of fifteen (15) calendar days next preceding any interest payment date and shall not be required to transfer or exchange any Warrant during the period of sixty (60) calendar days next preceding the date for redemption or prepayment of any Warrant. The holder of one or more of the Series 2010 Warrants may, upon request, and upon the surrender to the Paying Agent of such Warrant, exchange such Warrant for Series 2010 Warrants of other authorized denominations of the same series, maturity and interest rate and together aggregating the same principal amount as the Series 2010 Warrant so surrendered. Any registration, transfer and exchange of Series 2010 Warrants shall be without expense to the holder thereof, except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange. The holder of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant.

The Warrant Ordinance provides that each holder of the Series 2010 Warrants, by receiving or accepting the Series 2010 Warrants, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, the Series 2010 Warrants may be transferred only in accordance with the provisions of the Warrant Ordinance. The Warrant Ordinance also provides that each transferee of the Series 2010 Warrants takes them subject to all principal and interest payments in fact made with respect to the Series 2010 Warrants.

No transfer of any Series 2010 Warrant will be valid except upon presentation and surrender of such Series 2010 Warrant at the principal corporate trust office of the Registrar with written power to transfer signed by the registered owner in person or by duly authorized attorney. Upon the proper transfer of any Series 2010 Warrant, the City will execute a new Series 2010 Warrant, and the Registrar will deliver to the transferee such new Series 2010 Warrant registered in the name of such transferee.

Any holder of one or more of the Series 2010 Warrants may, upon the surrender thereof to the Registrar, exchange such Series 2010 Warrant or Warrants for other Series 2010 Warrants, in the denomination of \$5,000 or any integral multiple thereof, of the same maturity and interest rate and together aggregating the same principal amount as the Series 2010 Warrant or Warrants so surrendered.

Redemption Prior to Maturity

The Series 2010 Warrants will be subject to redemption and payment prior to their maturity as follows:

[Optional Redemption. The Series 2010 Warrants will be subject to redemption prior to their maturity, at the option of the City, in whole or in part, on April 1, 20__ and on any interest payment date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the Series 2010 Warrants

are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2010 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2010 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.

Notice of any such redemption is required to be given, not less than thirty (30) days prior to the date fixed for redemption, by United States registered or certified mail to the registered holder of any Series 2010 Warrant called for redemption.]

[*Scheduled Mandatory Redemption.* The Series 2010 Warrants maturing on April 1, _____, will be subject to mandatory redemption commencing on April 1, _____, and on each April 1 thereafter until and including April 1, _____, in the principal amounts respectively shown below. Those of the Series 2010 Warrants (or portions thereof) to be so redeemed will be redeemed at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, with those to be redeemed to be selected by lot.

<u>Year</u>	<u>Principal Amount Required to be Redeemed</u>
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In the absence of prior optional redemption, Series 2010 Warrants in the aggregate principal amount of \$_____ will remain to be paid at their stated maturity on April 1, _____.

SECURITY

General

The Series 2010 Warrants will be general obligations of the City for the payment of which the full faith and credit of the City will be irrevocably pledged. Revenues of the City legally available for payment of the principal of and the interest and premium (if any) on the Series 2010 Warrants will include ad valorem taxes, gross receipts taxes, privilege license taxes and other taxes, and other general revenues of the City.

Application of Tax Revenues and Creation of Funds

General. The Warrant Ordinance will provide for the maintenance of a special fund designated the “2010 City of Daphne Warrant Fund” (the “Warrant Fund”). The Bank of New York Mellon Trust Company, N.A. will be designated in the Warrant Ordinance as the depository, custodian and disbursing agent for the Warrant Fund.

The Warrant Fund. On or before the 25th day of each March and September commencing in September 2010, the City will be required to transfer to the Warrant Fund an amount equal to the sum of (i) the semiannual installment of interest that will mature with respect to the Series 2010 Warrants on the then next succeeding interest payment date, plus (ii) the principal, if any, of the Series 2010 Warrants that will mature on the then next succeeding interest payment date. Moneys on deposit in the Warrant Fund are to be used for the payment of the principal of and interest on the Series 2010 Warrants.

Investment of Funds. The City may, at its option, from time to time cause any or all of the moneys on deposit in the Warrant Fund to be invested in Federal Obligations (as hereinafter defined) having a specified maturity, or being redeemable at the option of the holder, prior to the date when it is anticipated by the City that such moneys will be needed. In the event of any such investment of moneys in the Warrant Fund, the Federal Obligations in which such investment shall be made, together with all income therefrom, shall become a part of said fund and shall be held by the Paying Agent to the same extent as if they were moneys on deposit therein. As used in this Official Statement, the term "Federal Obligations" means securities that are direct obligations of the United States of America or that are unconditionally guaranteed by the United States of America as to the payment of both principal and interest (including money market funds investing solely in such obligations of the United States of America).

Certain Matters Affecting Creditor's Rights

Chapter 9 of the United States Bankruptcy Code permits political subdivisions and public agencies or instrumentalities such as the City that are insolvent or unable to meet their debts to file petitions for relief in the federal bankruptcy court if authorized by state law. While the matter is not entirely free from doubt, prospective purchasers of the Series 2010 Warrants should assume that existing Alabama statutes presently authorize the City to file petitions for relief under the Bankruptcy Code.

Bankruptcy proceedings by the City could have significant adverse effects on holders of the Series 2010 Warrants, including (a) delay in the enforcement of their remedies, (b) subordination of their claims to the claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment on the Series 2010 Warrants. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by the holders of at least a majority in aggregate principal amount of the Series 2010 Warrants, the holders of the Series 2010 Warrants will have the benefit of their original claim on the City's revenues or the "indubitable equivalent." The effect of these and other new provisions of the Bankruptcy Code cannot be predicted with any certainty and may be significantly affected by judicial interpretation or future action of the Congress of the United States or the Legislature of Alabama.

In addition, the remedies available to the holders of the Series 2010 Warrants, as well as any other creditors of the City, through suit, mandamus proceeding or other legal process are subject to the provisions of existing Alabama law exempting from levy and sale under any process, judgment or decree all property (real or personal) belonging to cities in Alabama and used for municipal purposes, and may be subject to, among other things,

- (a) the law-imposed obligation of the City to pay, prior to the payment of debt service on its obligations, the expenses of providing necessary governmental services, and
- (b) the provisions of other statutes that may hereafter be enacted by the Congress of the United States or the Legislature of Alabama extending the time for payment of municipal indebtedness or imposing other constraints upon the enforcement of rights of holders of municipal securities.

CONTINUING DISCLOSURE

General

Pursuant to Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City has covenanted for the benefit of the holders and beneficial owners of the Series 2010 Warrants to provide certain financial information and operating data relating to the City by not later than 180 days following the end of the City's fiscal year, which currently would be March 31 (the "Annual Report"), commencing with the report for the 2010 Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material, as described below. The Annual Report and notices of material events will be filed by the City with the Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board and with a State of Alabama State Repository, if any is established.

Change in Filings

Under changes in the Rule recently announced by the Securities and Exchange Commission, effective July 1, 2009, the City will make all Annual Report filings through Electronic Municipal Market Access ("EMMA") system, established by the Municipal Securities Rulemaking Board.

Prior Filings

Certain bonds issued for the benefit of the City are insured by bond insurers. The rating of those bond insurers has been downgraded at various times during the past 18 months. Information about the downgrades was publicly reported. The City may not have filed a notice under the Rule with respect to each downgrade. Otherwise, the City has complied in all material respects over the last five years with its existing continuing disclosure obligations.

Annual Reports

Each Annual Report will include an annual financial statement of the City and certain annual financial information and operating data of the kind set forth in the Official Statement under the captions "CITY DEBT," and "CITY REVENUE."

Material Events Notices

Notices of the following events will be provided, if material:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Modifications to rights of Warrant holders
- Optional, contingent or unscheduled calls of the Series 2010 Warrants
- Defeasances
- Rating changes
- Adverse tax opinions or events adversely affecting the tax exempt status of the Series 2010 Warrants
- Unscheduled draws on any reserve fund reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Release, substitution or sale of property securing repayment of the Series 2010 Warrants

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above if, in the judgment of the City, such other events are material with respect to the Series 2010 Warrants, but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Other Provisions of Continuing Disclosure Agreement

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided, that the City agrees that any such modification will be done in a manner consistent with the Rule. The City reserves the right to terminate its obligations to provide annual financial information and notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Series 2010 Warrants within the meaning of the Rule. The City acknowledges that its undertaking, pursuant to the Rule described under this heading is intended to be for the benefit of beneficial owners of the Series 2010 Warrants and that the City's obligations may be enforced by any beneficial owner of the Series 2010 Warrants; provided, that the beneficial owner's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations under the Continuing Disclosure Agreement and any failure by the City to comply with the provisions of such undertaking shall not be in event of default with respect to the Series 2010 Warrants.

In order to provide certain continuing disclosure in compliance with the Rule, the City has entered into a Disclosure Dissemination Agent Agreement (the "Disclosure Dissemination Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), under which the City has designated DAC as Disclosure Dissemination Agent.

DAC has only the duties specifically set forth in the Disclosure Dissemination Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the City has provided such information to DAC as required by this Disclosure Dissemination Agreement. DAC has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. DAC has no duty or obligation to review or verify any information in any Annual Report, audited financial statement, Material Event Notice or voluntary report, or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Warrants or any other party. DAC has no responsibility for the City's failure to report to DAC a Notice Event or a duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the City has complied with the Disclosure Dissemination Agreement. DAC may conclusively rely upon certifications of the City at all times.

Compliance with Disclosure Obligations

The City is in compliance with all of its disclosure obligations under the Rule and has timely filed, through DAC, each of its required Annual Reports.

CITY DEBT

Existing and Proposed Debt

Following the issuance of the Series 2010 Warrants, the City will have no other outstanding long-term indebtedness except for those listed below and obligations for the payment of which an irrevocable escrow fund has been established.

<u>Issue</u>	<u>Principal Amount Outstanding</u>
2002 Limited Obligation Revenue Warrants	\$4,915,032*
2002 Warrants	2,235,000
2003 Refunding Warrants	4,175,000
2006 General Obligation Refunding and Improvement Warrants	21,500,000**
2006 Limited Obligation Revenue Warrants	<u>8,985,000***</u>
TOTAL	\$32,825,032

*Payments are made solely from business sales tax revenues.

**\$3,870,000 (18%) is for sewer improvements and does not apply towards the City's general obligation debt limit

***Payments are made solely from revenues from an economic development project.

The City does not plan to authorize or issue any indebtedness other than the Series 2010 Warrants within the next 90 days. The City does not have any additional indebtedness authorized but unissued.

Subordinate Entity Debt

As of March 1, 2010, the Utilities Board of the City of Daphne, a public corporation which was incorporated by the City and whose five-member board of directors has outstanding principal indebtedness including State Revolving fund loans in the amount of \$23,025,000.

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Debt Service Requirements

The following table presents the debt service requirements on general obligation warrants of the City after the issuance of the Series 2010 Warrants.

Fiscal Year	Principal of the Series 2010 Warrants*	Interest on the Series 2010 Warrants*	Debt Service of the Series 2006 Warrants	Debt Service of the Series 2003 Warrants	Debt Service of the Series 2002 Warrants	Total Debt Service
2010	180,000.00	4,002.54	1,461,200.00	477,795.63	52,976.25	2,175,974.42
2011	105,000.00	45,942.50	1,936,940.00	554,251.26	164,842.50	2,806,976.26
2012	190,000.00	44,724.50	1,936,140.00	551,651.26	167,481.25	2,889,997.01
2013	330,000.00	41,874.50	1,932,450.00	553,321.26	164,930.00	3,022,575.76
2014	335,000.00	36,132.50	1,936,387.50	554,415.00	167,195.00	3,029,130.00
2015	340,000.00	29,332.00	1,935,787.50	551,015.00	164,290.00	3,020,424.50
2016	345,000.00	21,138.00	1,933,387.50	552,015.00	166,207.50	3,017,748.00
2017	360,000.00	11,340.00	1,934,187.50	554,195.00	162,945.00	3,022,667.50
2018			1,732,987.50	550,140.00	164,495.00	2,447,622.50
2019			1,734,962.50		165,740.00	1,900,702.50
2020			1,414,812.50		166,670.00	1,581,482.50
2021			1,416,137.50		167,275.00	1,583,412.50
2022			1,414,575.00		167,570.00	1,582,145.00
2023			1,415,025.00		167,572.50	1,582,597.50
2024			1,413,275.00		167,250.00	1,580,525.00
2025			1,414,450.00		166,625.00	1,581,075.00
2026			1,413,375.00		165,750.00	1,579,125.00
2027			1,415,050.00		164,625.00	1,579,675.00
2028			1,414,250.00		163,250.00	1,577,500.00
2029			1,415,975.00		166,500.00	1,582,475.00
2030					164,375.00	164,375.00
2031					166,875.00	166,875.00
2032					164,000.00	164,000.00

Constitutional Limitation on Debt of City

The Constitution of Alabama provides that cities having a population of six thousand or more may not become indebted in an amount in excess of 20% of the assessed valuation of the property situated therein. The Constitution exempts from this debt limitation several categories of indebtedness, including (i) temporary loans, to be paid in one year, made in anticipation of the collection of taxes and not exceeding one-fourth of the general revenues; (ii) bonds or other obligations issued for the purpose of acquiring, providing or constructing schoolhouses, water works and sewers; and (iii) obligations incurred and bonds issued for street or sidewalk improvements where the cost of the same, in whole or in part, is to be assessed against the property abutting said improvements. The City has outstanding \$3,870,000 of obligations issued for Sewer Projects and thus not chargeable to its debt limit.

*Preliminary: Subject to change.

The debt limitation based on assessed value of real and personal property of \$386,612,620 as of March 31, 2010 is computed as follows:

General Obligation Debt	\$43,852,105
GO Debt Chargeable to Debt Limit	30,865,032
Debt Limit (20% of Assessed Value)	77,322,524
Debt Margin	46,457,492
GO Debt to Assessed Valuation	11.34%
2000 Population of City	16,580
Total GO Debt Per Capita	2,645

CITY REVENUES

General

The City operates on a fiscal year basis beginning October 1 and ending September 30. The City prepares a detailed budget for each fiscal year that is approved by the City Council and all departments are required by City policy to operate within their respective budgets. There is no constitutional requirement that the budget be balanced each year, but the City has, as a matter of policy, required a balanced budget.

The significant accounting practices for City finances are summarized in the audited financial statements of the City. A copy of the audited financial statements of the City for the fiscal year which ended September 30, 2008, is included as Appendix B to this Official Statement including statements of revenues, expenditures and changes in fund balances. The General Fund finances substantially all current operations. These financial statements should be reviewed by prospective purchasers of the Series 2010 Warrants.

Summary of Primary Sources of Revenues

The following table sets forth the primary sources of General Fund revenues, as well as primary categories of expenditures, for the fiscal years ended September 30, 2005 through 2010:

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**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN GENERAL FUND BALANCE
FOR THE FISCAL YEARS ENDING SEPTEMBER 30,**

	(Budget) <u>2010</u>	(Unaudited) <u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
REVENUES						
Taxes	17,037,137	18,282,348	18,089,770	17,885,133	17,260,041	15,532,695
Licenses & Permits	1,481,175	1,913,500	2,348,757	2,434,848	2,015,129	1,811,698
Intergovernmental	200,412	270,176	195,574	296,586	369,426	206,400
Grants	365,000	339,667	314,111	24,396	89,689	79,308
Fees & Charges	291,775	345,321	350,858	359,831	416,813	319,891
Interest	50,000	78,083	305,893	413,042	238,840	67,359
Fines & Forfeitures	373,500	438,638	371,702	382,238	365,182	390,193
Miscellaneous	22,450	86,636	80,958	257,371	796,302	162,229
TOTAL REVENUES	19,821,449	21,754,369	22,057,623	22,053,445	21,551,422	18,569,773
EXPENDITURES						
General Government	3,006,883	3,286,211	3,124,837	2,827,689	2,607,770	2,380,389
Public Safety	8,530,146	8,502,039	8,192,973	7,083,067	6,054,541	5,265,647
Public Works	3,571,745	3,480,443	3,508,471	3,589,601	3,305,187	3,236,133
Parks & Recreation	1,773,519	2,045,339	1,943,232	1,699,809	1,706,491	1,716,844
Capital Outlay	655,396	397,066	1,012,752	1,671,788	2,362,934	969,046
Debt Service	2,831,612	2,610,186	2,640,775	2,668,795	2,483,006	-
TOTAL EXPENDITURES	20,369,301	20,321,284	20,423,040	19,540,749	18,519,929	13,568,059
OTHER FINANCING SOURCES (USES)						
Capital Lease Proceeds	353,700	146,678	-	-	-	-
Allowance for Compensated Absences	-	-	-	-	-	-
Transfers to Other Funds	(754,316)	(932,499)	(672,825)	(1,375,994)	(560,427)	(3,007,583)
Transfers from Other Funds	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-
Contribution to Utility Board	-	-	-	-	-	-
TOTAL OTHER FINANCING	(400,616)	(785,821)	(672,825)	(1,375,994)	(560,427)	(3,007,583)
EXCESS (DEFICIT) OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(948,468)	647,264	961,758	1,136,702	2,471,066	1,994,131
FUND BALANCE, BEGINNING OF YEAR	11,157,664	10,510,400	10,050,589	8,795,404	5,968,132	4,106,802
(INCREASE) DECREASE IN RESERVE FOR ENCUMBRANCES/TRANSFERS TO EQUITY OF OTHER FUNDS	-	-	(501,947)	118,483	356,206	(132,801)
UNRESR FND BALANCE, END OF YEAR	10,209,196	11,157,664	10,510,400	10,050,589	8,795,404	5,968,132

Sales Tax

The City levies a privilege license tax at the rate of 2.5% pursuant to Ordinance No. 1977-3, as amended by Ordinance No. 1989-13, on persons, corporations and other engaging in the business of selling at retail tangible personal property or conducting places of amusement (the said tax being measured by the gross proceeds or gross receipts of the said business) to the extent that the said tax is levied with respect to business conducted within the corporate limits of the City. Such privilege license tax is herein referred to as the "Sales Tax."

Collections of the Sales Tax have been as follows for the past five fiscal years:

<u>Fiscal Year</u>	<u>Collection</u>
2008-09	10,039,547
2007-08	11,279,350
2006-07	11,871,233
2005-06	11,702,796
2004-05	10,708,261

Business License Fee

The City levies, under general authority granted by the Legislature of the State of Alabama, a business license fee on the privilege of engaging in certain businesses and professions within the corporate limits of the City. Businesses and professions are charged a fee based on gross receipts of the prior year at which certain businesses located within the corporate limits of the City, including banks and insurance companies are charged and references to the Code of Alabama highlight those licensing rates. The business license fee is collected by the City's Revenue Department.

Collections of the City's Business License Fee have been as follows for the last five fiscal years indicated:

<u>Fiscal Year</u>	<u>Collection</u>
2008-09	1,484,967
2007-08	1,592,999
2006-07	1,464,404
2005-06	1,398,473
2004-05	1,228,901

Property Taxes

The levy and collection of ad valorem taxes in Alabama are subject to the provisions of the Alabama Constitution as amended, which, among other things, fix the percentage of market value at which property can be assessed for taxation, limit the rates of municipal taxation that can be levied against property and provide a maximum value for the aggregate ad valorem taxes that can be levied by all taxing authorities on any property in any tax year.

The amount of any specific ad valorem tax in Alabama is computed by multiplying the tax rate by the assessed value of the taxable property. The assessed value of taxable property is a specified percentage (ranging from 10% to 20%) of its fair and reasonable market value or, in certain circumstances, its current use value. Ad valorem tax rates are generally stated in terms of mills (one-thousandth of a dollar) per dollar of assessed value. Thus, for any given ad valorem tax, each mill in the rate of taxation represents a tax on property equal to one-tenth of one percent of the assessed value of such property.

The total assessed values of taxable real and personal property (including motor vehicles) located in the City as assessed for ad valorem taxation (net of exemptions) for the tax year which ended on September 30, 2009 was \$386,612,620.

The following taxes (expressed in mills) are currently levied on property situated in the City.

	<u>Mills</u>
State of Alabama	6.5
City of Daphne	15.0
Baldwin County:	
General	5.0
Schools	9.0
Roads and Bridges	4.0
Health Tax	.5
Special School District	<u>3.0</u>
 Total State, County and City	 <u>43</u>

The following table sets forth the total assessed valuation within the corporate limits of the City, the ad valorem taxes levied and the percentage collected:

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Tax Due</u>	<u>Tax Collected</u>	<u>Collection %</u>
2005	234,945,000	3,130,238	2,846,533	91%
2006	266,100,440	3,559,971	3,314,695	93%
2007	337,349,660	4,428,080	4,150,336	94%
2008	367,779,680	4,901,382	4,652,958	95%
2009	386,612,620	5,578,837	4,784,367*	

*Tax collected as of February 22, 2010.

Property taxes are generally collected and received by municipalities by February 1 of each fiscal year. For purposes of ad valorem taxation, taxes are due and payable in the fiscal year following the fiscal year in which the assessment and levy is made. Ad valorem taxes on taxable properties (except motor vehicles) in the City are required to be collected by the Tax Collector of Baldwin County. Ad valorem taxes on motor vehicles in the City are collected by the Judge of Probate of Baldwin County.

Payment in Lieu of Taxes

Certain entities that are otherwise exempt from tax have agreed to make payments in lieu of taxes. Such payments have been as follows for the last five fiscal years indicated:

<u>Fiscal Year</u>	<u>Amount Received</u>
2008-09	1,959,785
2007-08	1,773,316
2006-07	1,613,859
2005-06	1,429,965
2004-05	1,187,238

Other Taxes

The City also levies a beer tax (2008-09 revenues of \$276,355), a gasoline tax (2008-09 revenues of \$177,004), a liquor tax (2008-09 revenues of \$53,956), a tobacco tax (2008-09 revenues of \$116,876) and other miscellaneous taxes.

THE CITY

Geographic Information

The City of Daphne (the "City") is located on the eastern shore of Mobile Bay in Baldwin County directly across from the City of Mobile, Alabama. The City is approximately 15 miles east of Mobile, Alabama, and 45 miles west of Pensacola, Florida. The City is primarily a residential area with its residents working on the eastern shore of Baldwin County or in the Mobile or Pensacola areas.

Population

The following table sets forth population statistics for the State of Alabama, Baldwin County, and the City for the years indicated.

	1990	2000	2006	2007	2008
State of Alabama	4,040,587	4,447,100	4,587,564	4,626,595	4,661,900
Baldwin County	98,280	140,415	168,154	171,748	174,439
City of Daphne	11,978	16,581	18,880	18,925	19,093

Sources: U.S. Department of Commerce, Bureau of Census, Population Estimates Division, Internet release date 7/1/09.

Governmental Organization and Administration

The City is a municipal corporation incorporated under the Constitution and the laws of the State of Alabama. The City is governed by an elected Mayor and a City Council. The Mayor, elected at large for a four-year term, is the chief administrative officer of the City and is responsible for the daily management of the City and supervision of its employees. The members of the City Council serve part-time and along with the Mayor are responsible for adopting all legislative ordinances and setting the policies of the City, including the appropriation of money. The City Clerk and City Treasurer are each appointed for a four-year term by the City Council and are responsible for, managing the official records of the City and managing the fiscal affairs of the City, respectively.

The City's governing body consists of the following officers:

<u>Name</u>	<u>Office</u>	<u>Occupation</u>
Fred Small	Mayor	Business Owner
Bailey Yelding, Jr.	Council member	Retired
Cathy Barnette	Council member	Project Manager, Eco Solutions, Inc.

John L. Lake	Council member	Joiner Installer
Gregory W. Burnam	Council member	Business Owner/Manager
Ron Scott	Council member	Baldwin County Appraiser
Derek Boulware	Council member	Banker
August Palumbo	Council member	Retired
David L. Cohen	City Clerk	
Kimberly M. Briley	City Treasurer	

The current terms of said officers expire October 1, 2012.

Personnel and Retirement System

The City employed approximately 270 full-time persons in its several departments as of December 31, 2009. The benefits and compensation for all employees of the City's several departments are established by the City Council and are paid from the City's general fund revenues. The City participates in a retirement system established by the Alabama Legislature known as the Employee's Retirement System of Alabama, to which contributions are made by both the employees and the City. See Appendix "B —"Audited Financial Statements of the City for a description of the City's obligations with respect to the Employee's Retirement System of Alabama. No employees of the City are represented by labor unions or similar employee organizations, and the City does not bargain collectively with any labor unions or employee organizations. The City considers its relations with its employees to be generally good.

Other Post Employment Benefits

The City of Daphne offers certain Post Employment Benefits to employees under the age of 65 who meet the criteria for retirement as set by the Retirement System of Alabama. Medical and Dental benefits are provided through a comprehensive plan and life insurance coverage is provided with a \$5,000 cap. Employees do not contribute to their post employment benefits until they retire and begin receiving those benefits. The City of Daphne's Annual Required Contribution rate is actuarially determined in accordance with GASB 45 and totals \$231,728 as of September 30, 2009.

Utilities

The water and sanitary sewer service is supplied by the Utilities Board of the City of Daphne (the "Utilities Board"), a public corporation. The directors of which are appointed by the City Council. The Utilities Board also provides gas service. Electrical service is supplied by the Utilities Board of the City of Foley.

Education

The County Board of Education of Baldwin County, Alabama provides public school facilities for the County's students in the City. The County Board of Education has located a high school, a middle school and three elementary schools in the City. It is estimated that approximately 91.9% of the population of the City are high school graduates and 37.5% are college graduates. State averages are 75.3% and 19.0%, respectively.

Four institutions of higher learning located in Mobile County, which are accessible to residents of the City, are University of Mobile, Spring Hill College, Bishop State Community College and the University of South Alabama. Faulkner State Community College, whose main campus is located in Bay Minette, Alabama, is also nearby. Pensacola, Florida, located approximately thirty-five miles from the City, also provides certain educational opportunities.

Income Levels

Per capita income is the total income of all families and individuals in a given area divided by the total population of the area. For the years 2006 and 2007, the Regional Economic Information System, Bureau of Economic Analysis, Table CA1-3; Internet release date, April, 2009 indicates the following with respect to per capita income levels in the jurisdictions.

	<u>2006</u>	<u>2007</u>
Baldwin County	32,972	35,021
State of Alabama	30,873	32,419
United States	36,794	38,615

The percentage of all ages in Baldwin County, in the State of Alabama and in the United States with income below the poverty level as of 2008 is as follows:

Baldwin County	9.9%
State of Alabama	15.9%
United States	13.2%

Source: U.S. Department of Commerce, Bureau of the Census, Small Area income and Poverty Estimates Program. Final release date for these estimates: December 2008.

Estimated per capita personal income in the City of Daphne for 2007 was \$32,404

*Source: U.S. Census Bureau

The City, the Eastern Shore Chamber of Commerce and the Baldwin County Economic Development Alliance report that as of 2008, median family income in the City was \$62,153 and \$51,957 in the County. The State median family income figure as of 2008 was \$42,586.

Major Employers

The following two tables sets forth certain information with respect to certain of the largest manufacturing employers and largest non-manufacturing employers in the County as of 2009. Residents in the City work in the Mobile and Pensacola areas as well as in Baldwin County.

Top 10 Manufacturers in Baldwin County

<u>Company</u>	<u>Product</u>	<u>Location</u>	<u>Employment</u>
Goodrich Aerospace and Aerostructures Group	Retrofitting of Thrust Reverses & Nacelle Components	Foley	806
Standard Furniture	Bedroom & Dining Room Tables	Bay Minette	600
Vulcan, Inc.	Aluminum and Steel Products	Foley	202
Solutia	Nylon Staple	Foley	185
International Paper	Shipping Containers	Bay Minette	160
Bon Secour Fisheries	Seafood Processing	Bon Secour	152
Quincy Compressors	Rotary Screw Air Compressors	Bay Minette	149
Dental EZ Inc.	Dental Equipment & Supplies	Bay Minette	100
Quality Filers Inc.	Air Filters	Robertsdale	94
PrintXcel	Business Forms, Printing & Office Supplies	Fairhope	89

Top 10 Non-Manufacturers in Baldwin County

<u>Company</u>	<u>Product/Service</u>	<u>Location</u>	<u>Employment</u>
Baldwin County Board of Education	Education	Baldwin County	3,123
Wal-Mart Super Centers	General Retail	Bay Minette, Daphne, Fairhope, Foley, Gulf Shores	1,600
Thomas Hospital	Medical Care	Fairhope	1,100
South Baldwin Regional Medical Center	Medical	Foley	653
Baldwin County Commission	Government	Baldwin County	650
Marriott Grand Hotel	Hotel & Country Club	Fairhope	577
Mercy Medical	Medical Care	Daphne	550
North Baldwin Infirmary	Medical Care	Bay Minette	290
Ace Hardware Corporation	Wholesale Hardware	Loxley	278
Flowerwood Nurseries	Flowers and Nursery Stock	Loxley	188

Source: Baldwin County Economic Development Alliance

Top Ten Taxpayers of the City - 2009

Taxpayers	Assessed Value	Taxes Paid
AIG Baker	5,547,040	238,523
Walmart	3,368,520	144,846
Lowe's	2,799,260	120,368
Myers Family Partnership	2,771,400	119,170
Eastern Shore Real Estate Holdings	2,597,880	111,709
Whispering Pines Park	2,568,460	110,445
Ashley Gates	2,561,260	110,134
Sams	2,494,820	107,277
Renaissance Center	2,104,180	90,480
Tameron Properties	2,038,380	87,650

Source: City of Daphne, Alabama

Unemployment Rate

The 2008 annual average unemployment rate for the City was 3.4%*, compared to Baldwin County's average of 4.1%, Alabama's average of 5.0% and a national average of 5.8%.

*City of Daphne is disaggregated from Baldwin County using 2000 Census ratios of employment and unemployment.
Source: Alabama Department of Industrial Relations, Labor Market Information Division.

The following table sets forth comparative unemployment rates for Baldwin County, the State of Alabama and the United States in each of the years indicated:

	2004	2005	2006	2007	2008
Baldwin County	4.8	3.6	2.5	2.7	4.1
State of Alabama	5.6	4.0	3.5	3.5	5.0
United States	5.5	5.1	4.6	4.6	5.8

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Housing

The Eastern Shore Chamber of Commerce reports that in 2009 the median value of owner-occupied houses in the City was \$187,912.

Transportation

The City is served by U.S. Highway 98 which allows access to Daphne from the north and south and County Highway 64 which connects the City to the east. Interstate Highway I-10 extends from Mobile eastward to Jacksonville, Florida adjacent. Additionally, Interstate Highway-65 which runs northward from Mobile through Nashville is approximately 30 miles north of the City.

LITIGATION

There is no litigation pending or, to the knowledge of the City, threatened contesting the validity of the Series 2010 Warrants or relating to the organization or boundaries of the City, the incumbency of any of the City's officers, or the issuance or sale of the Series 2010 Warrants. Simultaneously with the delivery of the Series 2010 Warrants, the City will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the City, threatened.

The City is not a defendant in any lawsuits or other pending litigation which it believes would have a materially adverse effect upon its financial condition.

Recent court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama. Chapter 93 of Title II of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property. However, the applicability of Chapter 93 to causes of action under Section 1983 of Title 42 of the United States Code has not been definitely determined. Municipalities and other local governmental units throughout the country have been increasingly subject to lawsuits, many of which claim damages in large amounts for alleged denials of civil rights under the provisions of Section 1983.

TAX EXEMPTION

General

In the opinion of Bond Counsel, under the Internal Revenue Code of 1986 (the "Code"), as presently construed and administered, and assuming compliance by the City with the Compliance Covenants the interest income on the Series 2010 Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and will not constitute an item of tax preference for the purpose of computing the liability of individuals and corporations for the alternative minimum tax imposed by Section 55 of the Code. Bond Counsel will express no opinion with respect to the Federal tax consequences to the recipients of the interest income on the Series 2010 Warrants under any provision of the Code not referred to above.

Prospective purchasers of the Series 2010 Warrants should be aware that ownership of the Series 2010 Warrants may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2010 Warrants. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2010 Warrants should consult their tax advisors as to collateral federal income tax consequences.

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2010 Warrants will be exempt from State of Alabama income taxation.

[Original Issue Discount

The initial public offering price to be paid for certain of the Series 2010 Warrants (the "Original Issue Discount Warrants") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Warrant, and (ii) the initial offering price to

the public of such Original Issue Discount Warrant constitutes original issue discount with respect to such Original Issue Discount Warrant in the hands of any owner who has purchased such Original Issue Discount Warrant in the initial public offering of the Warrants. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Warrant equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Warrant continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Warrant prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Warrant in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Warrant was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Warrant is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Warrants and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Warrant for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Warrants.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Warrants which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Warrants and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Warrants.]

[Original Issue Premium

The initial public offering price to be paid for certain of the Series 2010 Warrants (the "Original Issue Premium Warrants") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Warrant in the initial public offering of the Series 2010 Warrants is required to reduce his basis in such Original Issue Premium Warrant by the amount of premium allocable to periods during which he holds such Original Issue Premium Warrant, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Warrant and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Warrant.]

UNDERWRITING

The Series 2010 Warrants will be purchased by Gardnyr Michael Capital, Inc. (the "Underwriter") at a purchase price of \$_____, which reflects an underwriter's discount of \$_____ and net original issue [discount/premium] of \$_____, plus accrued interest thereon from _____, 2010, to the date of their delivery. The initial public offering price set forth on the cover page may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2010 Warrants to certain dealers (including dealers depositing the Series 2010 Warrants into investment trusts) and others at prices lower than the offering price set forth on the cover page. The Underwriter will purchase all the Series 2010 Warrants if any are purchased. The Underwriter is obligated to purchase and pay for all the Series 2010 Warrants in cash.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Service ("S&P") (each a "Rating Agency") have assigned ratings to the Series 2010 Warrants of "Aa3" and "AA", respectively. Any definitive explanation of the significance of any such rating may be obtained only from the appropriate Rating Agency. There is no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be lowered or withdrawn entirely if, in the judgment of the appropriate Rating Agency, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Series 2010 Warrants could have an adverse effect on their market price.

LEGAL MATTERS

The legality and validity of the Series 2010 Warrants will be approved by Hand Arendall LLC, of Mobile, Alabama, Bond Counsel, whose approving opinion will be delivered at the time of the delivery of the Series 2010 Warrants. It is anticipated that the opinion of Bond Counsel will be in substantially the form attached hereto as Appendix A. Certain matters will be proved upon for the City by its counsel, Ross, Jordan & Gray, P.C., Mobile, Alabama.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the City relating to (a) computation of forecasted receipts of principal and interest on the escrowed Government Obligations and the forecasted payments of principal and interest to redeem the Series 1997 Warrants, and (b) computation of the yields on the Warrants and the escrowed Government Obligations was examined by The Arbitrage Group, Inc. Such computations were based solely upon assumptions and information supplied by the City. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

INFORMATION IN THE APPENDICES

The financial statements of the City attached hereto as Appendix B have been examined by Smith, Dukes & Buckalew, LLP, Certified Public Accountants, Mobile, Alabama, independent auditors, to the extent and for the periods indicated in their report which appears in such Appendix. Such financial statements have been included in reliance upon such report.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

References herein to the Alabama Constitution and all legislative acts referred to herein are intended to be only brief outlines of certain provisions of each thereof and do not purport to summarize or describe all provisions thereof.

The distribution of this Official Statement and its use in the offering and sale of the Series 2010 Warrants have been approved by the governing body of the City.

CITY OF DAPHNE, ALABAMA

By: _____
Mayor

Dated _____, 2010

APPENDIX A

[FORM OF LEGAL OPINION]

City of Daphne
Daphne, Alabama

Re: \$2,185,000* City of Daphne General Obligation Refunding Warrants, Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the warrant issue in caption (the "Warrants") and as such have examined certified copies of proceedings of the governing body of the City of Daphne, Alabama (the "City") in connection therewith, including the ordinance of such governing body, dated _____, 2010 and other documents submitted to us pertaining to the authorization, sale and issuance of the Warrants. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Warrants (except to the extent stated in the Official Statement) and we express no opinion relating thereto other than the matters set forth as our opinion in the Official Statement.

Based upon the aforesaid examinations, we are of the opinion that:

1. The Warrants have been duly authorized and issued and constitute valid orders on the City Treasurer of the City for the payment thereof as therein provided, and that the indebtedness ordered paid by the Warrants is a valid general obligation of the City for the payment of the principal of and interest on which the full faith and credit of the City have been validly and irrevocably pledged.

2. The interest income on the Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986. In addition, the interest income on the Warrants will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, that must be satisfied subsequent to the issuance of the Warrants in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement, but failure to comply with certain of such requirements may cause the inclusion of interest on the Warrants in gross income for federal income tax purposes to be retroactive to the date of the issuance of the Warrants. We express no opinion regarding other federal tax consequences arising with respect to the Warrants.

3. Under existing law the interest on the Warrants is exempt from State of Alabama income taxation.

Very truly yours,

HAND ARENDALL LLC

By: _____

*Preliminary: Subject to change

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF
THE CITY OF DAPHNE



ESCROW TRUST AGREEMENT

between

CITY OF DAPHNE, ALABAMA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.



This ESCROW TRUST AGREEMENT between the CITY OF DAPHNE, ALABAMA (herein called the "City") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Birmingham, Alabama (herein called "the Trustee").

R E C I T A L S

The City makes the following recitals and representations as the basis for the undertakings herein contained:

(1) The City has heretofore issued its General Obligation Refunding and Improvement Warrants, Series 1997 (the "Series 1997 Warrants") issued in the aggregate principal amount of \$10,445,000 and currently outstanding in the aggregate principal amount of \$1,910,000. The Series 1997 Warrants mature and are subject to optional redemption and scheduled mandatory redemption, accrue interest (payable solely at maturity or upon redemption) at the rates and are payable in the manner and at the times and places set forth in the ordinance, dated August 18, 1997, of the City Council authorizing the issuance of the Series 1997 Warrants, (the "Series 1997 Ordinance").

(2) In order to provide the funds necessary to pay principal and interest that will hereafter mature on the currently outstanding Series 1997 Warrants, and to redeem the Series 1997 Warrants, the City has, contemporaneously with the execution and delivery of this Trust Agreement, issued \$_____principal amount of its General Obligation Refunding Warrants, Series 2010 (herein called the "Series 2010 Warrants").

NOW, THEREFORE, in consideration of the premises and the respective agreements on the part of the City and the Trustee herein contained, the City and the Trustee hereby agree as follows:

Section 1. The Escrow Fund. There is hereby created a special trust fund, the full name of which shall be the "City of Daphne Refunding Escrow Fund, 2010" and which shall be applied for the purpose hereinafter specified. The cash and maturing principal of and interest on all securities held in the Escrow Fund shall be applied to payment of the amount required to pay the principal of and interest on the outstanding Series 1997 Warrants, or the redemption prices therefore, as provided herein.

Section 2. Deposit of Proceeds from Issuance of Warrants. The City hereby deposits with the Trustee, from proceeds of the Series 2010 Warrants, the sum of \$_____ in cash. The entire sum shall be deposited in the Escrow Fund. The Trustee hereby acknowledges receipt of said cash and its deposit in the Escrow Fund in the amount set forth in the preceding sentence of this section.

Section 3. Investment of Escrow Fund. Contemporaneously with the delivery of this Trust Agreement, the Trustee shall cause the sum of \$_____to be deposited with it pursuant to Section 2 hereof to be invested in the investments (herein called the "Federal

Securities") that are described on Exhibit "A" attached hereto and made a part hereof as if set out in full herein.

Section 4. Application of the Escrow Fund. The Trustee shall apply all cash in the Escrow Fund solely to the payment of the principal, interest and redemption premium (if any) with respect to the Series 1997 Warrants ("Refunded Debt Service") by transferring to the Paying Agent with respect to the Series 1997 Warrants cash available to make all payments herein required with respect to the Refunded Debt Service. The cash flow required and to be provided from the Escrow Fund for the payment of Refunded Debt Service is described on the schedule attached hereto as Exhibit "B" and made a part hereof.

Section 5. Sufficiency of Escrow. The City represents that if the principal and interest on the Federal Securities held in the Escrow Fund are paid according to their respective terms, the payment of the principal and interest on such Federal Securities, together with the cash sums held therein uninvested, will provide cash in the Escrow Fund sufficient to provide for payment of the Refunded Debt Service.

Section 6. Redemption of Series 1997 Warrants. (a) In order to effect the redemption of those of the Series 1997 Warrants that are to be redeemed prior to maturity, the City has called the Series 1997 Warrants for redemption on _____, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. All such Warrants called for redemption are herein referred to as the "Called Warrants".

(b) The City agrees that it will not repeal, revoke or amend its resolution of April __, 2010, in which the City has authorized the call for redemption of the Called Warrants.

(c) In order to effect the redemption of those of the Called Warrants that are to be redeemed prior to maturity, the City,

(1) agrees to take all necessary action requisite to the redemption of the Called Warrants; and

(2) will deposit with the Trustee the amounts necessary to effect the redemption of the Called Warrants, to the extent, if any, that funds are not available in the Escrow Fund for that purpose.

(d) The Trustee is hereby authorized and directed to cause notice of the redemption of the Called Warrants to be given in accordance with the requirements of the Series 1997 Warrants and the Series 1997 Ordinance under which the Series 1997 Warrants were issued and of this Agreement.

Section 7. Compensation to the Trustee. The City will pay to the Trustee, promptly upon receipt of statement of the Trustee therefor, all reasonable and customary charges that may be made by the Trustee for its services hereunder and the City will reimburse the Trustee for all reasonably necessary expenses incurred hereunder. The Trustee agrees that its charges and

expenses hereunder shall in no event be payable from or constitute a charge on the Escrow Fund or any part thereof.

Section 8. Amendments to Trust Agreement. The parties hereto may, with the written consent of the Trustee but without the consent of or notice to the holders of any of the Series 1997 Warrants, at any time and from time to time, amend this Trust Agreement for any one or more of the following purposes:

(a) To add to the covenants and agreements herein contained other covenants and agreements thereafter to be observed and performed by any of the parties hereto, provided that such other covenants and agreements shall not either expressly or impliedly limit or restrict any of the obligations hereunder of any of the parties hereto; or

(b) To cure any ambiguity, or cure, correct or supplement any defect or inconsistent provision contained herein or in any amendment hereto, or to make any provision with respect to matters arising hereunder or under any amendment hereto for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions hereof and do not, in the judgment of the Trustee, adversely affect the interests of the Holders of the Series 1997 Warrants; or

(c) To make subject to the trust created herein additional funds, securities or properties.

With respect to all questions arising under this Section 8, the Trustee shall be entitled to rely upon the opinion of Bond Counsel acceptable to it.

Section 9. Beneficiaries of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Holders of the Series 1997 Warrants and the parties hereto and their respective successors.

IN WITNESS WHEREOF, the City has caused this Trust Agreement to be executed by the Mayor and by the Clerk of the City, and has caused its official seal to be impressed hereon and attested by its Clerk, and the Trustee to evidence its acceptance of the trusts hereby created, has caused this Trust Agreement to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Trust Agreement to be attested by its duly authorized officers, and the City and Trustee have caused this Trust Agreement to be dated April __, 2010.

CITY OF DAPHNE, ALABAMA

By: _____
Its: Mayor

Attest:

Its: Clerk

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Its: _____

Attest:

Its: _____

EXHIBIT "A"

TO

ESCROW TRUST AGREEMENT

BY AND BETWEEN

CITY OF DAPHNE, ALABAMA

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

FEDERAL SECURITIES

EXHIBIT B

TO

ESCROW TRUST AGREEMENT
BY AND BETWEEN
CITY OF DAPHNE, ALABAMA
AND
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

ESCROW CASH FLOW

CITY OF DAPHNE, ALABAMA
GENERAL OBLIGATION REFUNDING WARRANTS,
SERIES 2010

WARRANT PURCHASE AGREEMENT

April __, 2010

City of Daphne
Daphne, Alabama

Ladies and Gentlemen:

Gardnyr Michael Capital, Inc. (the "Underwriter), offers to enter into the following agreement (the "Warrant Purchase Agreement") with the City of Daphne (the "City"), which upon the City's acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is made subject to the City's acceptance on or before 5:00 p.m., Daphne, Alabama time, on April __, 2010, and if not so accepted, will be subject to withdrawal by the Underwriter upon notice to the City at any time prior to the acceptance hereof by the City.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agree to purchase from the City for offering to the public and the City hereby agrees to sell and deliver to the Underwriter for such purpose, all of the City's \$_____. General Obligation Refunding Warrants, Series 2010 (the "Series 2010 Warrants"). The Series 2010 Warrants shall be dated as of _____, 2010 and shall be issued in such principal amounts, mature on such dates, bear such rates of interest and be subject to redemption as set forth in Exhibit A attached hereto. Interest on the Series 2010 Warrants shall be payable on April 1 and October 1 in each year to maturity or earlier redemption. The Series 2010 Warrants shall be paid for by the Underwriter in Federal Funds or other immediately available funds on the Closing Date at the purchase price of \$_____ (which takes into account an original issue discount of \$_____ and an Underwriter's discount of the \$_____) plus accrued interest in the amount of \$_____. The Series 2010 Warrants shall be issued pursuant to the Constitution and the laws of the State of Alabama, and pursuant to the provisions of an ordinance (the "Ordinance") adopted by the City Council. The Series 2010 Warrants are being issued for the purposes of refunding certain outstanding warrants of the City and paying the expenses of issuing the Series 2010 Warrants. The City is pledging its full faith and credit for payment of the principal of and interest on the Series 2010 Warrants.

Subject to the terms and conditions set forth herein, the Underwriter agrees to make a public offering of the Series 2010 Warrants at the initial offering prices or yields and subject to the redemption terms set forth in Exhibit A attached hereto prior to 1:00 p.m., on the Closing Date (hereinafter defined); provided, however, the Underwriter reserves the right to make concessions to certain dealers, certain dealer banks and banks acting as agents and to change such initial offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Series 2010 Warrants.

2. **Offering.** It shall be a condition of the City's obligation to sell and deliver the Series 2010 Warrants to the Underwriter, and the obligation of the Underwriter to purchase and accept delivery of the Series 2010 Warrants, that the entire aggregate initial principal amount of the Series 2010 Warrants shall be sold and delivered by the City and accepted and paid for by the Underwriter on the Closing Date on the terms herein provided unless otherwise agreed to by the City by formal official action and by the Underwriter in writing.

3. **Official Statement and Other Documents.** The City shall deliver, or cause to be delivered, to the Underwriter within seven (7) business days after the date hereof such reasonable number of conformed final copies of the Official Statement, dated the date hereof, as the undersigned shall request and shall furnish as many additional copies thereof as are reasonably necessary to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 of the United States Securities and Exchange Commission (17 CFR Section 240.15c2-12) under the Securities Exchange Act of 1934 ("Rule 15c2-12"), and with Rule G-32 and all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and to fulfill its duties and responsibilities under Alabama and federal securities law generally.

The Underwriter agrees to file the Official Statement with the Municipal Securities Rulemaking Board ("MSRB") pursuant to Rule 15c2-12 not later than two (2) business days after the Closing Date. The filing of the MSRB shall be in accordance with the procedures of the Electronic Municipal Market Access System ("EMMA"). The City agrees and covenants to furnish annual financial information and material events notices through EMMA as provided in the Continuing Disclosure Agreement.

The Underwriter agrees that it will not confirm the sale of any Series 2010 Warrants unless a final written confirmation of the sale is accompanied or preceded by the delivery of a copy of the Official Statement.

4. **Representations, Warranties and Agreements.** The City hereby represents, warrants and agrees as follows:

(a) At the time of the City's delivery to the Underwriter of the Official Statement and on the Closing Date, the statements and information contained in the Official Statement will be true and correct in all material respects and the Official Statement contains or will contain no misstatement of any material fact and will not omit any statement and information

that is necessary to make the statements and information contained therein not misleading in any material respect.

(b) The City has full legal right, power and authority to: (i) enter into this Warrant Purchase Agreement, (ii) adopt the Ordinance, (iii) sell, issue and deliver the Series 2010 Warrants to the Underwriter as provided herein, and (iv) carry out and consummate the transactions contemplated by this Warrant Purchase Agreement, the Escrow Trust Agreement between the City and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the “Escrow Trust Agreement”) the Ordinance and the Official Statement, and the City has complied, and on the Closing Date will be in compliance with the obligations on its part in connection with the issuance of the Series 2010 Warrants contained in the Ordinance, the Series 2010 Warrants and this Warrant Purchase Agreement.

(c) In the Ordinance the City Council authorized the Mayor to execute and deliver this Warrant Purchase Agreement on the part of the City. The City Council has duly authorized, ratified, and approved the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of this Warrant Purchase Agreement and the Escrow Trust Agreement.

(d) When delivered to and paid for by the Underwriter on the Closing Date in accordance with the provisions of this Warrant Purchase Agreement, the Series 2010 Warrants will have been duly authorized, executed, issued and delivered and will constitute valid and binding general obligations of the City.

(e) The adoption of the Ordinance and the authorization, execution and delivery of this Warrant Purchase Agreement, the Escrow Trust Agreement and the Series 2010 Warrants, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree or ordinance.

(f) On the Closing Date, the City will be in compliance in all respects with the covenants and agreements contained in the Ordinance.

(g) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Ordinance have been obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities law of any state in connection with the offering and sale of the Series 2010 Warrants or in connection with the registration of the Series 2010 Warrants under the federal securities laws.

5. **Closing.** At 9:00 a.m., local time, on April __, 2010, or at such time on such earlier or later date as shall be agreed upon by the City and the Underwriter (the “Closing Date”), the activities relating to the execution and delivery of certain documents and the delivery of the certificates, opinions and other instruments as described in Section 6(e) hereof shall occur at the offices of Hand Arendall LLC, Mobile, Alabama, or such other location as shall be mutually agreed upon by the City and the Underwriter. Such simultaneous execution and delivery of such documents, certificates, opinions and other instruments are herein referred to as the “Closing.” On the Closing Date:

(a) The City shall deliver to the Underwriter (i) the Series 2010 Warrants, duly authorized, executed and authenticated, and (ii) the other instruments and documents required to be delivered to the Underwriter pursuant to Section 6 hereof.

(b) The purchase price for the Series 2010 Warrants shall be paid to the City in Federal Funds (by wire transfer or check, or by any combination of one or more wires or checks as may be agreeable to the City and the Underwriter).

6. **Closing Conditions.** The Underwriter have entered into this Warrant Purchase Agreement in reliance upon the representations and warranties of the City herein contained and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The obligations of the Underwriter under this Warrant Purchase Agreement are and shall be subject to the following conditions:

(a) The representations, warranties and agreements of the City contained herein shall be true and correct and complied with as of the date hereof and as of the Closing Date.

(b) At the time of the Closing, the Ordinance shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments have been agreed to by the Underwriter.

(c) At the time of the Closing, all official action of the City relating to this Warrant Purchase Agreement and the Series 2010 Warrants shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriter.

(d) At any time on or prior to the Closing Date, the Underwriter shall have the right to cancel the agreement contained herein to purchase the Series 2010 Warrants by notifying the City in writing of their intention to do so if:

(i) between the date hereof and the Closing Date, legislation shall have been enacted by the Congress of the United States, or recommended to the Congress

for passage by the President of the United States, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Series 2010 Warrants, which, in the opinion of Counsel for the Underwriter or Bond Counsel, has or will have the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest shall be includable in gross income on the date hereof, or

(ii) between the date hereof and the Closing Date, legislation shall be enacted or any action shall be taken by the United States Securities and Exchange Commission which, in the opinion of Counsel for the Underwriter and Bond Counsel, has the effect of requiring the contemplated issuance or distribution of the Series 2010 Warrants to be registered under the Securities Act of 1933, as amended, or

(iii) between the date hereof and the Closing Date, in the opinion of the Underwriter, payment for and delivery of the Series 2010 Warrants is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by federal, New York or Alabama authorities, or (C) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis on the financial markets of the United States which, in the Underwriter's reasonable judgment, renders it impracticable for the Underwriter to market the Series 2010 Warrants or to enforce contracts for the sale of the Series 2010 Warrants, or

(iv) between the date hereof and the Closing Date, any order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2010 Warrants as contemplated hereby or by the Official Statement or prohibiting the entering or performance of the Ordinance, or

(v) between the date hereof and the Closing Date, the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State of Alabama shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriter, materially adversely affects the market

price of the Series 2010 Warrants or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect, or

(vi) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of Alabama, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Alabama, shall be rendered which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Series 2010 Warrants or causes any information in the Official Statement to be misleading in any material respect, or

(vii) between the date hereof and the Closing Date, any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2010 Warrants or in any way contesting or affecting any authority for or the validity of the Series 2010 Warrants or this Warrant Purchase Agreement, or any of the proceedings of the City taken with respect to the issuance or sale of the Series 2010 Warrants or the execution of and performance of this Warrant Purchase Agreement; and

(e) On or prior to the Closing Date, the Underwriter shall receive the following documents:

(i) the Official Statement, and any supplements, amendments or modifications, if any, thereto, executed on behalf of the City by the Mayor;

(ii) the Ordinance, certified by the City Clerk under seal as having been duly executed by the Mayor and such modifications or amendments as may have been agreed to by the Underwriter;

(iii) an opinion of Hand Arendall LLC, Mobile, Alabama, Bond Counsel to the City (“Bond Counsel”), in substantially the form included in the Official Statement as Appendix B;

(iv) an opinion of Ross, Jordan & Gray, P.C., Mobile, Alabama, counsel to the City, addressed to the City, the Bond Insurer and the Underwriter, and dated the date of the Closing, in form and substance satisfactory to the Underwriter and Bond Counsel;

(v) A certificate (herein sometimes referred to as the “Non-Arbitrage Certificate”) of the City prepared by Bond Counsel and executed by the Mayor and Finance Director for the City, dated as of the Closing Date, setting forth facts, estimates and circumstances concerning the use or application of the Series 2010

Warrant proceeds, and stating in effect that on the basis of such facts, estimates and circumstances in existence on the Closing Date, it is not expected that the proceeds of the Series 2010 Warrants will be used in a manner that would cause such Series 2010 Warrants to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Series 2010 Warrants contained in this Warrant Purchase Agreement and the Underwriter do not waive such inability in writing, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Series 2010 Warrants shall be terminated for any reason permitted by this Warrant Purchase Agreement, including the exercise of the Underwriter’ right to cancel this Warrant Purchase Agreement as provided in Section 6(d) hereof, this Warrant Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 7 hereof shall continue in full force and effect.

7. **Expenses.** The Underwriter shall be under no obligation to pay, and the City shall pay, any expense incident to the performance of the City’s obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Ordinance and this Warrant Purchase Agreement; (b) the costs of preparation and the fees and disbursements of Bond Counsel and other legal counsel to the City; (c) fees for bond ratings; (d) the fees and expenses of the Warrant Registrar, the Paying Agent, the Escrow Trustee and of their respective counsel; (e) the costs of preparing, printing and delivering the Official Statement and any supplements or amendments thereto; and (f) such other expenses as may be agreed to in writing at a later date.

The Underwriter shall pay: (a) all fees and disbursements of any counsel retained by the Underwriter; (b) all advertising expenses; and (c) all other expenses incurred by them in connection with the public offering of the Series 2010 Warrants. In the event that either party shall have paid obligations of the other as set forth in this Section 7, adjustment shall be made at the time of the Closing.

8. **Notices.** Any notice or other communications to be given to the City under this Warrant Purchase Agreement may be given by mailing the same to Post Office Box 400, Daphne, Alabama 36526, and any such notice or other communication to be given to the Underwriter may be mailed to Gardnyr Michael Capital, Inc., RSA Tower, 11 North Water Street, Suite 15265, Mobile, Alabama 36602.

9. **Parties in Interest.** This Warrant Purchase Agreement is made solely for the benefit of the City and the Underwriter and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Warrant Purchase Agreement shall remain operative and in full force and effect and shall survive the delivery of the Series 2010 Warrants.

10. **Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in their sole discretion, and the approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by an appropriate officer or officers of the Underwriter and delivered to the City.

11. **No Liability.** Neither the City, nor any officer, agent or employee thereof, shall be charged personally by the Underwriter with any liability, or held liable to the Underwriter under any term or provision of this Warrant Purchase Agreement because of its execution or attempted execution, or because of any breach or attempted breach thereof.

12. **Counterparts.** This Warrant Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

13. **Governing Law.** This Warrant Purchase Agreement, and the terms and conditions herein, shall constitute the full and complete agreement between the City and the Underwriter with respect to the purchase and sale of the Series 2010 Warrants. This Warrant Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

Very truly yours,

Gardnyr Michael Capital, Inc.

By: _____
As Its: _____

Accepted this ___ day of April, 2010.

CITY OF DAPHNE

By: _____
Fred Small
Mayor of the City of Daphne

1044426_1

EXHIBIT A

**PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS
AND REDEMPTION PROVISIONS**

A-1

DISCLOSURE DISSEMINATION AGENT AGREEMENT

(Post Rule Amendment)

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2010, is executed and delivered by the City of Daphne, Alabama (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Warrants (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Warrants in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Warrants and the 9-digit CUSIP numbers for all Warrants to which the document applies.

“Disclosure Representative” means _____, the senior member of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing

to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries) or (b) treated as the owner of any Warrants for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Issuer’s General Obligation Refunding Warrants, Series 2010, as listed on Appendix A.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

“Warrants” means the warrants as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 180 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending September 30, 2009. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the

Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) determine the address of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each disclosure to be made with the MSRB together with a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
 1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
 2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
 5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
 6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);

7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a)(7);
8. “Warrant calls,” pursuant to Sections 4(c) and 4(a)(8);
9. “Defeasances,” pursuant to Sections 4(c) and 4(a)(9);
10. “Release, substitution, or sale of property securing repayment of the securities,” pursuant to Sections 4(c) and 4(a)(10);
11. “Ratings changes,” pursuant to Sections 4(c) and 4(a)(11);
12. “Failure to provide annual financial information as required,” pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;
13. “Other material event notice (specify),” pursuant to Section 7 of this Agreement, together with the summary description provided by the Disclosure Representative.

- (v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings: “CITY DEBT,” and “CITY REVENUES.”

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Warrants constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Warrants reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Warrants;
7. Modifications to rights of Warrant holders;
8. Warrant calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Warrants;
11. Rating changes on the Warrants; and
12. Failure to provide annual financial information as required.

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate

such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 e (iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Warrants and the 9-digit CUSIP numbers for the Warrants as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the MSRB, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Warrants upon the legal defeasance, prior redemption or payment in full of all of the Warrants, when the Issuer is no longer an obligated person with respect to the Warrants, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Warrants. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Warrants or under any other document relating to the Warrants, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Warrants or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Warrants.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Warrants and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Warrants, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CITY OF DAPHNE, ALABAMA
as Issuer

By: _____
Name: _____
Title: Mayor

EXHIBIT A

NAME AND CUSIP NUMBERS OF WARRANTS

Name of Issuer [A1] _____
Obligated Person(s) [A2] _____
Name of Warrant Issue: [A3] _____
Date of Issuance: [A4] _____
Date of Official Statement [A5] _____

CUSIP Number: [A6] _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

[A7]
Name of Issuer _____
Obligated Person(s) _____
Name of Warrant Issue: _____
Date of Issuance: _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: [B1]_____

Obligor: [B2]_____

Name of Warrant Issue: [B3]_____

Date of Issuance: [B4]_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Warrants as required by the Disclosure Agreement, dated as of [B5]_____, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [B6]_____.

Dated: [B7]_____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc: Issuer
Obligated Person

EXHIBIT C
EVENT NOTICE COVER SHEET

This cover sheet and material event notice will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

[C1] _____

Issuer's Six-Digit CUSIP Number:

[C2] _____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

[C3] _____

Number of pages of attached: [C4] _____

____ Description of Material Event Notice (Check One): [C5]

1. Principal and interest payment delinquencies
2. Non-Payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of securities holders
8. Warrant calls
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities
11. Rating changes
12. Other material event notice (specify) _____

____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C6] _____ Title: [C7] _____

Employer: Digital Assurance Certification, L.L.C.

Address: [C8] _____

City, State, Zip Code: _____

Voice Telephone Number: [C9] _____

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the City of Daphne, Alabama (the “City”) in connection with the issuance of \$_____ City of Daphne, Alabama General Obligation Refunding Warrants, Series 2010 (the “Warrants”). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Warrants and in order to assist the Participating Underwriter in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Authorizing Ordinance, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Authorizing Ordinance” means the Ordinance adopted by the City Council of the City with respect to the Warrants, adopted April 5, 2010.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Warrants for federal income tax purposes.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Warrants and the 9-digit CUSIP numbers for all Warrants to which the document applies.

“Dissemination Agent” shall mean any third party designated in writing by the City for the purposes of making filings in compliance with the Rule and which has filed with the City a written acceptance of such designation. The City’s initial Dissemination Agent shall be Digital Assurance Certification, L.L.C.

“EMMA” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of such designation.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“National Repository” shall mean the Municipal Securities Rulemaking Board through its EMMA website at www.emma.msrb.org, and any other Nationally Recognized Municipal Securities Information Repository designated by the United States Securities and Exchange Commission for purposes of the Rule.

“Participating Underwriter” shall mean the original underwriter of the Warrants required to comply with the Rule in connection with offering of the Warrants.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Alabama.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is not a State Repository.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the City's fiscal year (presently September 30), commencing with the report for the Fiscal Year ending September 30, 2009, provide to each Repository, and each Participating Underwriter, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories and Participating Underwriter, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide an Annual Report by the date required in subsection (a), the City shall send a notice to each Repository and Participating Underwriter.

(c) The Dissemination Agent, if any, shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and
- (ii) file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

(d) The City shall provide or cause to be provided, in a timely manner, to each Repository notice of any failure by it to provide the annual financial information described in Section 3(a), on or prior to the dates respectively set forth in said section. Such notice shall be in substantially the form attached hereto as Exhibit A or as is prescribed for such filings on the EMMA website.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board or its successor.

(b) Updated reports on the information furnished in the following sections of the final Official Statement: "CITY DEBT," and "CITY REVENUES."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Warrants, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. modifications to rights of holders;
4. optional, contingent or unscheduled warrant calls;
5. defeasances;

6. rating changes;
7. adverse tax opinions or events affecting the tax exempt status of the Warrants;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers, or their failure to perform; or
11. release, substitution or sale of property securing repayment of the Warrants.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) 4 and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Warrants pursuant to the Authorizing Ordinance. Copies of any such filing shall be sent to each Participating Underwriter.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Warrants. If such termination occurs prior to the final maturity of the Warrants, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C .

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Warrants, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Warrants, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Warrants.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event. Any filing under this Disclosure Agreement may be made solely by transmitting such filing through EMMA or in such other manner as shall then be required or permitted by the Securities and Exchange Commission.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Warrants may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Warrants or the Authorizing Ordinance and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may

incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Warrants.

SECTION 12. Compliance. The City is in compliance with all of its disclosure obligations under the Rule, and filed its Annual Report for the Fiscal Year which ended September 30, 2009.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and Holders and Beneficial Owners from time to time of the Warrants, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2010

CITY OF DAPHNE, ALABAMA

By: _____
Mayor

1052280_1

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL FILING

Name of Issuer: _____

Name of Warrant Issue: _____

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Filing with respect to the above-mentioned Warrants as required by Section 3(a) of the Continuing Disclosure Agreement relating to the above referenced Warrants dated _____, 2010. The Issuer anticipates that the Annual Filing will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

Digital Assurance Certification, L.L.C., as
Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person