

**CITY COUNCIL BUSINESS MEETING AGENDA**  
**BUSINESS MEETING**  
**1705 MAIN STREET, DAPHNE, AL**  
**APRIL 2, 2012**  
**6:30 P.M.**

**1. CALL TO ORDER**

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

- 3. APPROVE MINUTES:** Council meeting minutes / March 19, 2012  
Council Work Session minutes / March 12, 2012  
Special Called Council meeting minutes / March 26, 2012

**PROCLAMATION:** National Public Safety Telecommunicators Week / April 8-14, 2012

**PUBLIC HEARINGS:** 1.) Codification of Ordinances

2.) Rezone: Blacksher White-Spunner, etal

Location: Southwest of the intersection of U.S. Highway 90 and  
County Road 13

Present Zoning: R-3, High Density Single Family Residential District

Proposed Zoning: B-1, Local Business

Recommendation: Failed to set forth a favorable recommendation / A super majority  
vote is needed for a favorable recommendation, and the vote was  
five (5) affirmative - one (1) dissenting / **Ordinance 2012-27**

**4. REPORT STANDING COMMITTEES:**

**A. FINANCE COMMITTEE / Boulware**

**B. BUILDINGS & PROPERTY COMMITTEE - Lake**

**C. PUBLIC SAFETY COMMITTEE – Boulware**

Review minutes / March 14<sup>th</sup>

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

**E. PUBLIC WORKS COMMITTEE / SOLID WASTE AUTHORITY - Conaway**

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

**A. Board of Zoning Adjustments – Jones**

Resignation of Tony Felts (Supernumerary) / Need replacement

**B. Downtown Redevelopment Authority – Barnette**

**C. Industrial Development Board – Conaway**

Review minutes / March 26<sup>th</sup>

**D. Library Board – Lake**

**E. Planning Commission – Barnette**

Review minutes / February 23<sup>rd</sup>

**F. Recreation Board – Reese**

**G. Utility Board - Scott**

**6. REPORTS OF OFFICERS:**

**A. Mayor's Report**

a.) Parade Permit / Christ the King Catholic School / 1 Mile Fun Run / April 27, 2012

b.) Parade Permit / Lupus Foundation / Fund Raiser / March 16, 2013

c.) Parade Permit / Christ the King Respect for Life Committee / Annual Life Pilgrimage / April 28, 2012

- B. City Attorney’s Report
- C. Department Head Comments

**7. PUBLIC PARTICIPATION:**

**8. RESOLUTIONS & ORDINANCES:**

**RESOLUTIONS:**

- a.) **Calling for the Redemption of the City’s General Obligation Warrants, Series 2002 and the Redemption of the City’s Limited Obligation Special Tax Warrants, Series 2006. . . . . /Resolution 2012-28**

**ORDINANCES:**

**2<sup>ND</sup> READ**

- a.) **Adopting the Rules of Procedure in All Instances for Meetings of the City Council. . . . . /Ordinance 2012-21**
- b.) **Appropriation of Funds: City Hall Roof Repair. . . . . /Ordinance 2012-22**
- c.) **Appropriation of Funds: Civic Center Kitchen Hood Fire Suppression System. . . . . /Ordinance 2012-23**
- d.) **Appropriation of Funds: Legislative Phone/Internet Budget . . . . . /Ordinance 2012-24**
- e.) **Appropriation of Funds: Youth Spring Soccer Program . . . . . /Ordinance 2012-25**
- f.) **Authorizing the Issuance of General Obligation Refunding and Improvement Warrants Series 2012. . . . . /Ordinance 2012-26**

**1<sup>ST</sup> READ**

- g.) **Rezone: Blacksher White-Spunner, etal. . . . . /Ordinance 2012-27**
- h.) **Codification of Ordinances. . . . . /Ordinance 2012-28**

**9. COUNCIL COMMENTS**

**10. ADJOURN**

**CITY OF DAPHNE  
CITY COUNCIL MEETING**

**ROLL CALL**

**CITY COUNCIL:**

**CALL VOTES**

COUNCILWOMAN CONAWAY	PRESENT__	ABSENT__	__
COUNCILWOMAN BARNETTE	PRESENT__	ABSENT__	
COUNCILMAN LAKE	PRESENT__	ABSENT__	__
COUNCILMAN REESE	PRESENT__	ABSENT__	__
COUNCILMAN SCOTT	PRESENT__	ABSENT__	__
COUNCILMAN BOULWARE	PRESENT__	ABSENT__	__
COUNCILMAN PALUMBO	PRESENT__	ABSENT__	__

**MAYOR**

MAYOR YELDING	PRESENT__	ABSENT__	__
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**CITY CLERK:**

DAVID L. COHEN	PRESENT__	ABSENT__	__
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**CITY ATTORNEY:**

CITY ATTORNEY JAY ROSS	PRESENT__	ABSENT	
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**MINUTE NOTES:**

**CITY COUNCIL MEETING  
MINUTES**

**NOTES:**

COMMITTEE RECOMMENDATIONS



**MARCH 19, 2012  
REGULAR CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

**PRESENTATION:** Present a copy of the book: Images of America “Daphne” to the City / Harriet Outlaw & Ms. Penny Taylor

Ms. Outlaw gave a presentation on the book, and presented a shadow box book to the Mayor. Ms. Outlaw recognized the contribution of Mr. Al Guarisco in writing the book. She also thanked the Daphne Museum for their support. There will be a reception and book signing at the Museum.

**4. REPORT OF STANDING COMMITTEES:**

**A. FINANCE COMMITTEE – Boulware**

Mr. Scott stated that the minutes are in the packet for the March 12<sup>th</sup> meeting

**MOTION BY Councilman Scott to authorize going out for bid: for the City Hall roof repair. Secoded by Councilman Lake.**

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**Treasurers Report / February 2012**

**MOTION BY Councilman Scott to accept the Treasurers Report as of February, 2012 in the amount of \$20,976,966.01. Secoded by Councilwoman Conaway.**

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**Sales & Use Tax Collections / January 2012**

Sales and Use Tax Collected for January 2012 - \$809,785  
Sales and Use Tax Budgeted for January 2012 - \$834,336  
Under Budget (for January) - (\$ 24,551)

YTD Budget Collections Variance – Over Budget - \$54,852

**Lodging Tax Collections / January 2012**

The Lodging Tax Collections report shows \$41,917 collected for January, 2012. Discussion continued that while the collections were lower than last year it was noted that last years was most likely higher than usual due to the BP Oil Spill hotel personnel lodging.

The next meeting will be April 9<sup>th</sup> at 4:00 p.m. in the Executive Conference room.

Councilman Palumbo asked when they will know how much they have in reserve.

**MARCH 19, 2012  
REGULAR CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

Ms. Ciancetta stated that they will receive the preliminary report in April.

**B. BUILDINGS AND PROPERTY COMMITTEE – Lake**

The minutes for the March 5<sup>th</sup> meeting are in the packet. Some of the items are the same as what was considered under finance.

**C. PUBLIC SAFETY COMMITTEE – Boulware**

Mr. Reese reported that the committee met last week, but the minutes are not in the packet. They discussed the ISO rating, and that the new annexations may affect the rating.

**D. CODE ENFORCEMENT/ORDINANCE COMMITTEE – Boulware**

The minutes for the March 14<sup>th</sup> meeting are in the packet.

**E. PUBLIC WORKS COMMITTEE/SOLID WASTE AUTHORITY – Conaway**

The committee met this afternoon, and there was a motion made at that meeting that needs council approval:

**MOTION BY Councilman Lake to suspend the rules to consider a motion to authorize a Letter of Endorsement for the Weeks Bay Reserve’s project titled: “Minimizing runoff nutrient pollution with marsh restoration in a world of rising seas” be prepared. *Seconded by Councilwoman Conaway.***

**ROLL CALL VOTE**

<b>Conaway</b>	<b>Aye</b>	<b>Scott</b>	<b>Aye</b>
<b>Lake</b>	<b>Aye</b>	<b>Palumbo</b>	<b>Aye</b>
<b>Reese</b>	<b>Aye</b>	<b>Barnette</b>	<b>Aye</b>

**AYE ALL IN FAVOR                      NAY NONE OPPOSED                      MOTION CARRIED**

**MOTION BY Councilwoman Conaway to authorize a Letter of Endorsement for Weeks Bay Reserve’s project titled: “Minimizing runoff nutrient pollution with marsh restoration in a world of rising seas” be prepared. *Seconded by Councilman Lake.***

**AYE ALL IN FAVOR                      NAY NONE OPPOSED                      MOTION CARRIED**

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

**A. Board of Zoning Adjustments – Adrienne Jones**

No meeting in March.

**MARCH 19, 2012  
REGULAR CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

**B. Downtown Redevelopment Authority – Barnette**  
The next meeting will be Monday at 5:30 p.m.

**C. Industrial Development Board – Conaway**  
No report.

**D. Library Board – Lake**  
The minutes for the January 6<sup>th</sup> and February 2<sup>nd</sup> meeting are in the packet

**E. Planning Commission – Barnette**  
The regular Planning Commission meeting will be Thursday at 5:00 p.m. in the council chambers.

**F. Recreation Board - Reese**  
There was a meeting last week, but Councilman Reese could not attend.

**G. Utility Board – Scott**  
The minutes for the January 25<sup>th</sup> meeting are in the packet. The March meeting will be held April 4<sup>th</sup> at 5:00 p.m.

**6. REPORTS OF THE OFFICERS:**

***A. Mayor’s Report***

*a.) Parade Permit / Daphne United Methodist Church / April 7, 2012*

**MOTION BY Councilman Scott to approve the Parade Permit for Daphne United Methodist Church / April 7, 2012. *Seconded by Councilman Lake.***

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

*b.) Voting Delegate / AL League of Municipalities Convention / May 19-21, 2012*

**MOTION BY Councilman Scott to appoint Councilman Lake as Voting Delegate for the AL League of Municipalities Convention / May 19-21, 2012. *Seconded by Councilwoman Conaway.***

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

*c.) Authorize Going Out for Bid on Road Projects*

**MOTION BY Councilman Scott to approve the going out for bid on the road projects presented on page 19 of the council packet. (List is spread out upon these minutes.) Seconded by Councilman Lake.**

**AYE ALL IN FAVOR                      NAY NONE OPPOSED                      MOTION CARRIED**

***B. City Attorney Report***

Mr. Ross reported that the Scott Curtis lawsuit settlement was closed last Thursday. He thanked the Mayor, Richard Johnson and Ashley Campbell for their help.

***C. Department Head Comments:***

***Richard Johnson – Public Works Director*** – recognized the hard work on the landscape that the Beautification Committee and Grounds Department has done at the point at Kentucky Fried Chicken and Scenic Highway 98. He encouraged everyone to by to see the landscaping.

***Christine Ciancetta – Deputy Finance Director*** - reported that she met with two (2) more credit card companies. She explained that they had to look at platforms for each department’s needs. She is working with HR on immigration reports, and they are working on the preliminary financial statement.

***Richard Merchant – Building Official*** – reported that he will be presenting the new building codes to the Buildings & Property Committee in the future.

***Margaret Thigpen – Civic Center Director*** - reported that Ballroom Dance tickets go on sale tomorrow, and the Mobile Bottle Collectors will be at the Civic Center March 23-24, and is open to the public.

***Tonja Young – Library Director*** - reported that there will be kids activities during spring break. She also reported that the board voted to change the meeting day to the second Thursday of the month instead of the first Thursday.

***James White – Fire Chief*** – reported that they have been awarded an AFG grant in the amount of \$55,800. They will purchase nine SCBA’s and one thermal imaging camera.

***David McKelroy – Recreation Director*** – reported they have started spring sports. They had the first Sunset Series Concerts at Bay Front Park, and Brown Bag-By-the-Bay will start the first Thursday in April. He thanked the Church of the Eastern Shore for their help in cleaning up the parks.

***David Carpenter – Police Chief*** - reported that they were in Fairhope Friday for the Special Olympics where they participated in the run from the high school to the stadium, and afterwards they went around the track with some of the kids. He said it was a great event.

**7. PUBLIC PARTICIPATION**

*Mr. Joe Davis – 30757 Pine Court* – spoke regarding grant for the watershed, and that the TimberCreek Property Owners Association and the developers that are looking at an additional phase will be meeting to discuss items of common interest, and upstream activity, and how it impacts Daphne.

**8. RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS**

**RESOLUTIONS:**

- a.) Hazardous Mitigation Grant / Santa Rosa Avenue Drainage Improvements . . . . . /Resolution 2012-21
- b.) Sales Tax Holiday. . . . . /Resolution 2012-22
- c.) Bid Award: Asphalt Hotbox Reclaimer Trailer Unit . . . . . /Resolution 2012-23
- d.) Bid Award: PW/Truck: 8-10 Yard Dump Truck. . . . . /Resolution 2012-24
- e.) Bid Award: PW/Roller Compactor / Tow Behind. . . . . /Resolution 2012-25
- f.) Declaring Certain Property Surplus / Donation. . . . . /Resolution 2012-26
- g.) Declaring Certain Property Surplus . . . . . /Resolution 2012-27

<b>MOTION BY Councilman Palumbo to <u>waive the reading</u> of Resolutions 2012-21, 2012-22, 2012-23, 2012-24, 2012-25, 2012-26 and 2012-27. <i>Seconded by Councilman Scott.</i></b>				
<b>AYE</b>	<b>ALL IN FAVOR</b>	<b>NAY</b>	<b>NONE OPPOSED</b>	<b>MOTION CARRIED</b>

<b>MOTION BY Councilman Palumbo to <u>adopt</u> Resolution 2012-21. <i>Seconded by Councilman Scott.</i></b>				
<b>AYE</b>	<b>ALL IN FAVOR</b>	<b>NAY</b>	<b>NONE OPPOSED</b>	<b>MOTION CARRIED</b>

<b>MOTION BY Councilman Palumbo to <u>adopt</u> of Resolution 2012-22. <i>Seconded by Councilwoman Conaway.</i></b>				
<b>AYE</b>	<b>ALL IN FAVOR</b>	<b>NAY</b>	<b>NONE OPPOSED</b>	<b>MOTION CARRIED</b>

MOTION BY Councilman Palumbo to adopt Resolution 2012-23, 2012-24 and 2012-25. *Seconded by Councilwoman Conaway.*

AYE ALL IN FAVOR                      NAY NONE OPPOSED                      **MOTION CARRIED**

MOTION BY Councilman Palumbo to adopt Resolution 2012-26. *Seconded by Councilman Scott.*

AYE Conaway, Reese, Scott, Boulware, Palumbo, Barnette                      NAY Lake

**MOTION CARRIED**

MOTION BY Councilman Palumbo to adopt Resolution 2012-27. *Seconded by Councilman Scott.*

AYE Conaway, Reese, Scott, Boulware, Palumbo, Barnette                      NAY Lake

**MOTION CARRIED**

**ORDINANCES:**

**2<sup>ND</sup> READ**

- a.) Amendment to the Land Use & Development Ordinance /  
Revisions to Zoning Map ...../Ordinance 2012-19
- b.) Annexation: Woodrow Lane Right-of-Way ...../Ordinance 2012-20

**1<sup>ST</sup> READ**

- c.) Adopting the Rules of Procedure in All Instances for Meetings of the  
City Council ...../Ordinance 2012-21
- d.) Appropriation of Funds: City Hall Roof Repair ...../Ordinance 2012-22
- e.) Appropriation of Funds: Civic Center Kitchen Hood Fire Suppression System . . . . /Ordinance 2012-23
- f.) Appropriation of Funds: Legislative Phone/Internet Budget ...../Ordinance 2012-24
- g.) Appropriation of Funds: Youth Spring Soccer Program ...../Ordinance 2012-25

**MOTION BY Councilman Palumbo to waive the reading of Ordinances 2012-19 and, 2012-20. Secoded by Councilman Scott.**

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**MOTION BY Councilman Palumbo to adopt Ordinance 2012-19. Secoded by Councilman Scott.**

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**MOTION BY Councilman Palumbo to adopt Ordinance 2012-20 Secoded by Councilman Scott.**

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**Ordinances 2012-21, 2012-22, 2012-23, 2012-24 and 2012-25 were made 1<sup>st</sup> Read.**

#### **8. COUNCIL COMMENTS**

**Mayor Yelding** stated that he represented the city at the Special Olympics. He said it was beautiful, and that everyone should take part. He really enjoyed it. He attended a meeting Friday at Westminster Village regarding Joe's Branch. They are going to start that restoration process soon where they will be what is called a step stool.

**Councilman Scott** – he is getting inquiries from people on Highway 181 that are still in the county, and they are wondering if they are going to have a say in their future since Daphne has annexed that road. Some of the inquiries, as far as annexing additional subdivisions within the city, and the question comes up does the city have an up-to-date comprehensive plan, and, unfortunately, they still have the same plan that they inherited. He thinks this should get started right away with the updating process.

**Councilman Palumbo** stated that the Special Olympics is very uplifting. He wanted to give kudos to new partners in the Special Olympics one is Daphne Utilities who came gave out water to anyone who wanted it, and other things, and the other is the Daphne Bocce Club which for the first time was a village event, and quite a few kids participated. He thanked the Recreation Department for helping. He thanked Ms. Outlaw and Ms. Taylor for their presentation of the book.

**Council President Barnette** thanked the museum as well for coming out and keeping Daphne's history alive. Daphne has a unique history and they do not want to lose it, and they need to continue to capture it. She would like to work to make that a priority, and the museum certainly supports that. The reception is March 24<sup>th</sup> from 1:00 – 4:00 p.m.

**MARCH 19, 2012  
REGULAR CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

**9. ADJOURN**

**MOTION BY Councilman Lake to adjourn. *Seconded by Councilman Scott.***

**AYE ALL IN FAVOR NAY NONE OPPOSED MOTION CARRIED**

**There being no further business to discuss the meeting adjourned at 7:22 p.m.**

Respectfully submitted by,

\_\_\_\_\_  
David L. Cohen,  
City Clerk, MMC

Certification by Presiding Officer:

\_\_\_\_\_  
Cathy S. Barnette,  
Council President

**Proposed City of Daphne Street Improvements - Fiscal Year 2012 Summary**

Order	Project	Mileage	Construction	Engineering			Total
				Survey & Design	Testing	CE&I	
1	Project 2012-A - Intersection of Whispering Pines Rd and US Hwy 98 (Additional Turn Lanes and Signalization Upgrade)	0.37	\$400,000.00	\$0.00	\$24,000.00	\$40,000.00	\$464,000.00
2	Project 2012-B - Main Street - Holy Cross to Bayfront (18,247 L.F. - 3.45 miles) - Mill and Overlay (1500 L.F. Base Repairs)	3.45	\$598,889.56	\$25,814.21	\$20,651.36	\$30,977.05	\$676,332.18
3	Project 2012-C - Well Road Extension - Public Works Road to CR13 (1,400 L.F. - 0.265 miles) - New Road & Drainage	0.265	\$144,267.00	\$21,930.00	\$3,600.00	\$26,800.00	\$196,597.00
4	Proposed Project: Profit Drive Extension - Profit Drive to Johnson Road	0.275	\$251,923.63	\$20,153.89	\$7,557.71	\$15,115.42	\$294,750.64
5	Proposed Project: Lake Forest - 1.1 Miles (Ridgewood Drive - North Route connecting 2a & 2b) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping	1.1	\$1,130,000.00	\$79,100.00	\$22,600.00	\$79,100.00	\$1,310,800.00
6	Proposed Project: Resurfacing of Pinehill Road - 7th Street to south of Roper Ln	0.475	\$84,302.00	\$0.00	\$2,530.00	\$0.00	\$86,832.00
7	Proposed Project: Resurfacing of Douglas Road - US Hwy 90 to End of Pavement	0.25	\$20,882.00	\$0.00	\$627.00	\$0.00	\$21,509.00
<b>Totals:</b>		<b>6.19</b>	<b>Miles</b>				<b>\$3,050,820.82</b>

Cost per Mile: \$493,261.25

**MARCH 12, 2012**  
**CITY COUNCIL WORK SESSION**  
**1705 MAIN STREET**  
**DAPHNE, AL**  
**6:30 P.M.**

1

**COUNCIL MEMBERS PRESENT:** Kelly Reese; Ron Scott; Derek Boulware; August Palumbo.

**ABSENT:** Tommie Conaway; Cathy Barnette; John Lake.

Also present: Mayor Yelding; Rebecca Hayes, Assistant City Clerk; Jay Ross, City Attorney; Christine Ciancetta, Deputy Finance Director; Richard Johnson, Public Works Director; David McKelroy, Recreation Director; Tonja Young, Library Director; Margaret Thigpen, Civic Center Director; Jason Crane, Attorney; Erick Bussey, Attorney.

Absent: David Cohen, City Clerk.

Council President Pro tem Boulware called the meeting to order at 6:35 p.m.

**1. OLDS EASEMENT / JAY ROSS**

Mr. Ross asked to postpone discussion, because they are not quite ready. He reported that they will close on the Scott Curtis matter this week.

**2. AMENDING ORDINANCE 2009-21 / COUNCIL RULES OF PROCEDURE**

Council discussed suspension of the rules, and whether it is unanimous or 2/3 vote. Council likes having two (2) reads on ordinances so as not to rush into anything.

Consensus of Council was to delete Section XXII and change the wording to Section XVII to say that a unanimous vote is required to suspend the rules.

Mr. Ross said that he would amend the ordinance and send it to Mrs. Hayes.

**3. AMENDING ORDINANCE 1993-16 / REGULATING THE USE OF ALCOHOLIC BEVERAGES WITHIN THE CITY OF DAPHNE**

Discussion of this ordinance came up due to a request from the Daphne Museum Board. They want to have a reception and serve wine at the museum. After review of the ordinance the City Attorney opinioned that they could not serve alcoholic beverages. Council discussed the ordinance and mentioned that according to the ordinance people could not have alcoholic beverages at block parties, because the streets are city property.

Consensus of council was to send the ordinance to the Ordinance Committee for review.

**4. CAPITAL BUDGET**

Mayor Yelding stated that he asked the Department Heads to send in their top three (3) capital budget priorities for this fiscal year. They may have to cut a lot, but this is the current list.

Christine presented the capital budget to council. (*Handout by Ms. Ciancetta is spread out upon these minutes*)

**MARCH 12, 2012  
CITY COUNCIL WORK SESSION  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

2

Council discussed the list and asked questions.

Council cannot make any decisions regarding the capital budget until they get the figures for what is in the reserves.

**5. ROAD PROJECTS**

Mr. Richard Johnson, Public Works Director, presented information regarding the ATRIP grant. If the city receives a grant it will be an 80/20 match. There will be three (3) phases of the grant. Submission deadline for the first phase is the end of March 2012, the second phase deadline is the end of October 2012 and the deadline for the third phase is March 2012. The roads to be submitted for each phase is presented in a handout by Mr. Johnson. (*Handout is spread out upon these minutes*)

**6. DISCUSS WHATEVER ELSE IS DEEMED NECESSARY**

Council did not have any other items to discuss.

**7. ADJOURN**

There being no further business to discuss the meeting adjourned at 7:55 p.m.

Respectfully submitted by,

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

Certification of Presiding Officer:

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**Derek Boulware,  
Council President Pro tem**

**Fiscal 2012 Budget:  
New Requests**

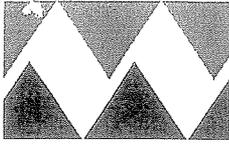
<b>Personnel</b>	52,611	Administration	Information Technology Coordinator
	121,745	Fire	3 FT Firefighters - New Station (Salary and Benefits total)
	8,091	Library	Restructure to create IT Librarian; transfer from Library Tech
	5,960	Library	Reclassify PT Aide to PT Young Adult Librarian
	<u>14,051</u>		
	(19,927)	Court	Personnel restructuring & reclassification (adopted ORD#2011-86 1/5/2012)
	<b>168,480</b>	<b>Total Personnel</b>	

**Community Contributions**

	10,000	Legislative	Baldwin County Economic Development Alliance
	6,000	Legislative	Eastern Shore Chamber of Commerce
	10,000	Legislative	MBNEP (Originally budgeted as \$3K. ORD#2011-82 added \$7K making the FY 2012 total \$10K.)
	13,000	Legislative	SARPC
	10,000	Legislative	Ecumenical Ministries
	15,000	Legislative	Community Event - July 4th Celebration
	2,000	Legislative	USS Alabama Battleship Park (Originally adopted "unassigned". Adopted ORD#2012-05 2/6/2012 assignment to Battleship Park.)
	3,000	Legislative-NEW	The Lighthouse
	1,000	Legislative-NEW	Bldwn County Volunteer Organizations Active in Disasters
	35,000	Legislative-NEW	Blueprint for Tomorrow
	2,500	Legislative-NEW	B.A.R.C. (adopted ORD#2012-15 3/5/2012)
	<u>107,500</u>	<b>Total Contributions</b>	(Adopted FY2012 Community Contribution Budget was \$59,000 - ORD#2011-81 11/21/2011)

<b>Capital</b>	<i>Pages 1-4</i>	14,747	Legislative	Council Chambers sound system
		600,000	Police	Justice Center Roof Repair (adopted ORD# 2011-76 11/7/2011)
		158,583	Police	(4) Chevy Tahoes & Equipment (replacements) - (adopted ORD#2012-18 3/5/2012)
		<u>758,583</u>		
		200,000	Fire	Pumper Truck
		20,000	Fire	ALS Eqpt
		<u>220,000</u>		
		85,998	Street	8x10 yard capacity medium duty Dump Truck (replacement)
		20,030	Street	Mauldin vibratory roller compactor - tow behind (replacement)
		33,645	Street	4-ton Asphalt Hotbox Reheater/Reclaimer (new)
		57,766	Street	Ford F 450/550 HD Service Truck w/ Crane (replacement)
		56,000	Mowing	(2) Ford F250-3/4 Ton Crew Cab Pickup Truck
	<i>Pages 5-10</i>	<u>253,439</u>		
		50,000	Recreation	Replace Carpet in Recreation Department & Senior Center
		32,300	Parks	Ford F450 Crew Cab
		33,000	Parks	Smithco Chemical Sprayer
		16,000	Parks	John Deere 1200 A Field Groomer
	<i>Pages 11-12</i>	<u>131,300</u>		
		160,000	Library	Repair Roof
		125,000	Library	New Flooring for the entire library
		25,000	Library	Interior Painting (hasn't been painted since 1996)
	<i>Page 13</i>	<u>310,000</u>		
		100,000	Civic Center	Roof
		50,000	Civic Center	Carpet
		3,000	Civic Center	Loss of Voltage monitoring system
	<i>Page 14</i>	<u>153,000</u>		
		33,080	Bayfront	Indoor Ceiling
		17,354	Bayfront	Decking
	<i>Page 15</i>	<u>50,434</u>		
		<b>1,891,503</b>	<b>Total Capital</b>	

<b>2,167,483</b>	<b>Total New Requests</b>
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MODERN SOUND &  
COMMUNICATION  
INC.

PAGE 1 OF 4

Prices are firm for a period of  
30 Days from quotation date.

4359 MIDMOST DR. MOBILE, AL 36609 (251) 380-9080

## QUOTE

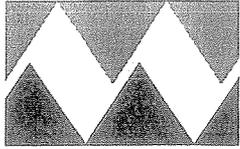
<b>BILL TO:</b>	<b>System Description:</b>
<b>Daphne City Council</b>	<b>Council Chambers</b>
<b>1705 Main Street</b>	<b>Repair and Upgrade of</b>
<b>Daphne, Alabama 36526</b>	<b>Audio/Visual System</b>

CUSTOMER ORDER NO.:	DATE: <b>2/28/2012</b>	TERMS: <b>1/2 Down, Bal. Net 10 Days</b>	SHIP VIA: <b>Installers</b>
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QUANTITY	U/M	MANUFACTURER / MODEL NUMBER / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	ea	Lowell LER-F3522 Floor Standing Equipment Rack with Locking Solid Rear Door		\$655.00
1	ea	Lowell LFD-35P Plexiglas Locking Front Door for above rack		\$562.00
1	ea	Lowell LMSB-22 Rolling Base for above Equipment Rack		\$152.00
1	ea	Lowell RRD-35 Rear Rack Rails for above Equipment Rack		\$98.00
1	ea	PanaMax M4400 Power Panel with Surge Suppression, Sequencing and Conditioning		\$299.00
1	ea	Lowell RPSW-MP Remote Power ON/OFF Switch for above Power System		\$49.00
1	ea	Lowell USVC-215 Clamping Equipment Rack Shelf for 2 Mediacom Cable Receivers		\$69.00

Options:	Order Amount	Continued
	Shipping Charges	Next
	Sub-Total	Page
	Tax	
	Total	
	Advance Payment	
	<b>Net Due</b>	

REPRESENTATIVE <b>Alan Carter</b>	<b>THANK YOU FOR YOUR ORDER</b> Customer agrees to order and Modern Sound agrees to deliver and/or service as described above and in accordance with the terms on the reverse side. Customer also agrees that the terms of this document are a complete and exclusive statement of agreement between the parties and that there are no additional oral or written understandings, representations or warranties affecting this agreement.	BUYER	
E-Mail Address: alan_carter@modernsound.net		SIGNATURE	X
		PRINT NAME AND TITLE	
		DATE	



MODERN SOUND &  
COMMUNICATION  
INC.

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4359 MIDMOST DR. MOBILE, AL 36609 (251) 380-9080

## QUOTE

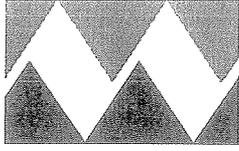
<b>BILL TO:</b>	<b>System Description:</b>
<b>Daphne City Council</b>	<b>Council Chambers</b>
<b>1705 Main Street</b>	<b>Repair and Upgrade of</b>
<b>Daphne, Alabama 36526</b>	<b>Audio/Visual System</b>

CUSTOMER ORDER NO.:	DATE: <b>2/28/2012</b>	TERMS: <b>1/2 Down, Bal. Net 10 Days</b>	SHIP VIA: <b>Installers</b>
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QUANTITY	U/M	MANUFACTURER / MODEL NUMBER / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	ea	Lowell UDP-614 Pull-out Storage Drawer for Wireless Mics and Recording Electronics		\$251.00
1	ea	Extron MPX 423A Media Presentation Matrix Switcher		\$2,390.00
2	ea	Extron P/2 DA VGA Distribution Amplifier to each Projector	\$190.00	\$380.00
1	ea	TOA A-912OSM2 120-Watt Digital Modular Mixer/Amplifier		\$1,099.00
2	ea	TOA D-001R/T Modular Microphone/Line Input Modules for above Mixer/Amplifier	\$178.00	\$356.00
1	ea	TOA ZM-9012VC Remote Digital Master Volume Control for above		\$290.00
1	ea	Williams Sound RPK-005 Rack Mount Kit and ANT-025 Remote Antenna		\$189.00

Options:	Order Amount	Continued
	Shipping Charges	Next
	Sub-Total	Page
	Tax	
	Total	
	Advance Payment	
	<b>Net Due</b>	

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		SIGNATURE	<b>X</b>
		PRINT NAME AND TITLE	
		DATE	



MODERN SOUND &  
COMMUNICATION  
INC.

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30 Days from quotation date.

4359 MIDMOST DR. MOBILE, AL 36609 (251) 380-9080

## QUOTE

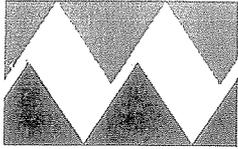
<b>BILL TO:</b>	<b>System Description:</b>
<b>Daphne City Council</b>	<b>Council Chambers</b>
<b>1705 Main Street</b>	<b>Repair and Upgrade of</b>
<b>Daphne, Alabama 36526</b>	<b>Audio/Visual System</b>

CUSTOMER ORDER NO.:	DATE: <b>2/28/2012</b>	TERMS: <b>1/2 Down, Bal. Net 10 Days</b>	SHIP VIA: <b>Installers</b>
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QUANTITY	U/M	MANUFACTURER / MODEL NUMBER / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	ea	Denon DBP-2012UD Rack Mounted Blu-Ray DVD and Universal Disc Player		\$899.00
1	ea	Denon DN-F650R Rack Mounted Solid State Recorder/Playback System		\$849.00
1	ea	Universal Remote Control Model MSC-400 Master System Controller		\$799.00
6	ea	Universal Remote Control RS-232 Adaptor Cables for above unit - 5' to 75'	\$32.00	\$192.00
2	ea	Custom Plate Co. CPC-101 VGA with Audio Engraved Input Plates	\$42.00	\$84.00
1	ea	Shure UA507 Rack Mount, UA221 Antenna Combiner, UA600 Antenna Kits & Brackets		\$327.00
1	ea	Cable and Miscellaneous Hardware including VGA Cabling to 2 Locations in Chambers		\$398.00

Options:	Order Amount	Continued
	Shipping Charges	Next
	Sub-Total	Page
	Tax	
	Total	
	Advance Payment	
	<b>Net Due</b>	

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E-Mail Address: alan_carter@modernsound.net		SIGNATURE	X
		PRINT NAME AND TITLE	
		DATE	2/28



**MODERN SOUND &  
COMMUNICATION  
INC.**

Prices are firm for a period of  
30 Days from quotation date.

4359 MIDMOST DR. MOBILE, AL 36609 (251) 380-9080

**QUOTE**

<b>BILL TO:</b>	<b>System Description:</b>
<b>Daphne City Council</b>	<b>Council Chambers</b>
<b>1705 Main Street</b>	<b>Repair and Upgrade of</b>
<b>Daphne, Alabama 36526</b>	<b>Audio/Visual System</b>

CUSTOMER ORDER NO.:	DATE: <b>2/28/2012</b>	TERMS: <b>1/2 Down, Bal. Net 10 Days</b>	SHIP VIA: <b>Installers</b>
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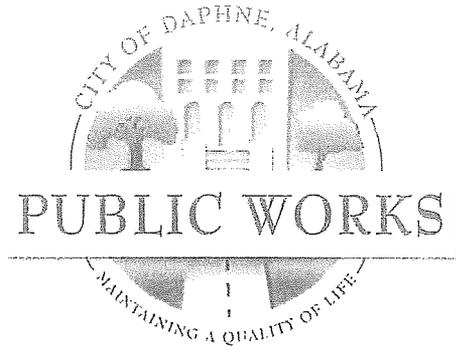
QUANTITY	U/M	MANUFACTURER / MODEL NUMBER / DESCRIPTION	UNIT PRICE	EXTENDED PRICE
13	ea	Shure Gooseneck Microphones Located on Council Chamber Benches		N/C
2	ea	Shure Wireless Microphone Receivers and Transmitters 1 on Podium		N/C
6	ea	Atlas Hanging Pendant Speakers over Chamber Audience		N/C
2	ea	MediaCom Cable Receivers for Music in Building and Video on Projectors		N/C
2	ea	Panasonic Projectors to have VGA Homerun to Video Mixing System		N/C
1	ea	Professional Installation and Configuration of all above Equipment to Form a Complete and Working Audio/Video System with Remote Power ON/OFF and Remote Master Volume and Room Computer Equalization		\$3,800.00

Options:	Order Amount	\$14,187.00
	Shipping Charges	\$287.00
	Sub-Total	\$14,474.00
	Tax	NA
	Total	\$14,474.00
	Advance Payment	NA
	<b>Net Due</b>	<b>\$14,474.00</b>

REPRESENTATIVE  <b>Alan Carter</b>  E-Mail Address: alan_carter@modernsound.net	<b>THANK YOU FOR YOUR ORDER</b> Customer agrees to order and Modern Sound agrees to deliver and/or service as described above and in accordance with the terms on the reverse side. Customer also agrees that the terms of this document are a complete and exclusive statement of agreement between the parties and that there are no additional oral or written understandings, representations or warranties affecting this agreement.	BUYER	
		SIGNATURE	<b>X</b>
		PRINT NAME AND TITLE	
		DATE	

4

Fiscal Year 2012  
Division of Public Works  
Capital Equipment Request



This is a summary of needed replacement and new Capital equipment for the Public Works Department to be procured in Fiscal Year 2012. These items are listed in prioritized order based on need.

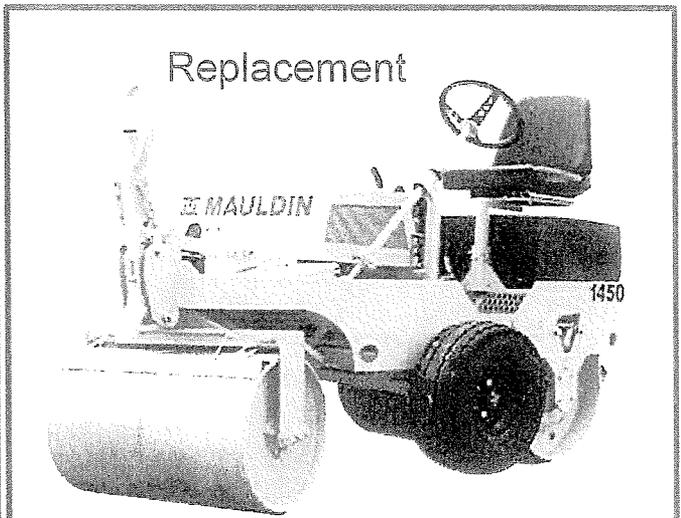
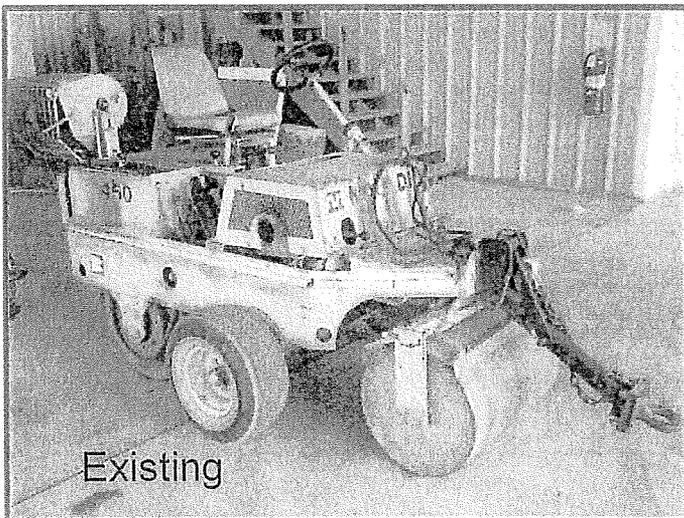
1. 2012 8-10 yard capacity Medium-Duty Dump Truck – Streets Department

Replacement for #21 – 1989 GMC 8 yd Dump Cost: \$85,998.00 Total: \$ 85,998.00



2. 2012 Mauldin Vibratory Roller Compactor (Tow Behind) – Streets Department

Supplement/Replacement for 1980's Mauldin Cost: \$20,030.00 Total: \$106,028.00



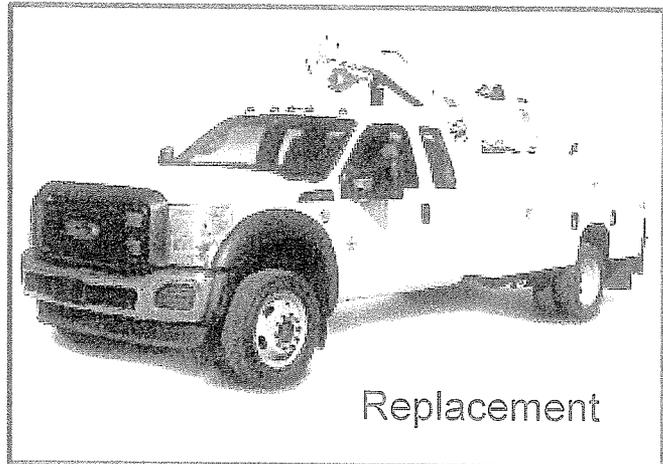
3. New 4-ton Asphalt Hotbox Reheater/Reclaimer – Streets Department

New Equipment used in hot patch street repair Cost: \$33,645.00 Total: \$139,673.00



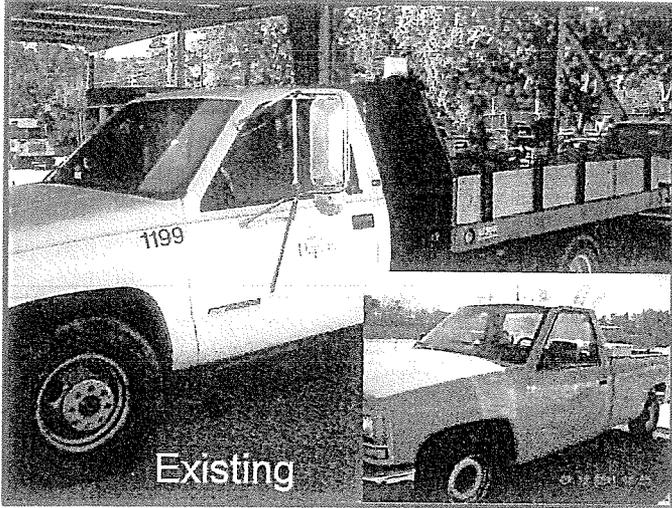
4. 2012 Ford F-450/550 HD Service Truck with Crane – Mechanical Maintenance

Replacement for #27 – 92 F-350 Service Truck Cost: \$57,766.00 Total: \$197,439.00



5. **2012 Ford F-250 3/4 Ton Crew Cab Pickup Truck – Mowing Department**  
 Replacement for #991 – 1991 GMC -1500      **Cost: \$28,000.00    Total: \$225,439.00**

6. **2012 Ford F-250 3/4 Ton Crew Cab Pickup Truck – Mowing Department**  
 Replacement for #1199 – 1994 GMC -3500      **Cost: \$28,000.00    Total: \$253,439.00**



7. **2012 Ford F-450 Crew Cab and Chassis – Grounds Department**  
 Replacement for #47 – 98 GMC K3500 CC      **Cost: \$32,250.00    Total: \$285,689.00**

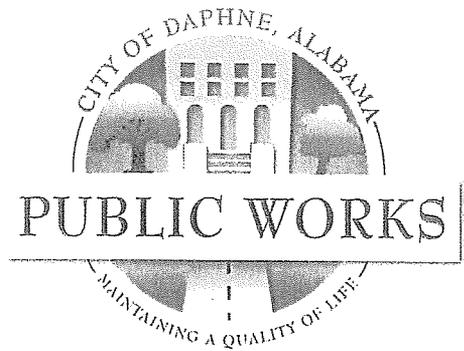


8. **2012 PacMac Knuckle Boom Grapple Loader – Trash Department**  
 Replacement for #1331\* – 1980 Ford      **Cost: \$32,000.00\*\*    Total: \$317,689.00**



\*(#1331-Grounds to surplus, #1005-Trash to Grounds)  
 \*\* Lease – 5 Year at \$32,000.00/Year

Fiscal Year 2012  
Division of Public Works  
Capital Equipment Justification



- Item 1            2012 8-10 yard capacity Medium-Duty Dump Truck – Streets Department  
Replacement for #21 – 1989 GMC 8 yd Dump
- Truck 21 is 21 years old with extensive miles on it and has been “Red Tagged” by Mechanical Maintenance as not road worthy. This truck has become a hazard due to the wear and tear on it and it is no longer feasible to repair due to the lack of available parts. It has become liability and will need to be sent to surplus this year. Due to the need to work in tight confined areas in the city it must be replaced.*
- Item 2            2012 Mauldin Vibratory Roller Compactor (Tow Behind) – Streets Department  
Supplement/Replacement for circa 1980’s Mauldin
- Replacement will improve the quality of work and reduce down time. The current asphalt roller is over 20 years old and is high maintenance. This new piece of equipment will supplement and compliment the Item #3 below.*
- Item 3            New 4-ton Asphalt Hotbox Reheater/Reclaimer – Streets Department  
New Equipment used in hot patch street repair
- Used on street projects, pot holes, drainage projects. It allows crews to reclaim leftover asphalt for reuse. Reclaimer will allow us to hot fill pot holes during cold winter months, cuts asphalt waste to zero and to keep hot asphalt on hand in the event of an emergency. With this reclaim box we can repair roads more efficiently and in a timelier manner.*
- Item 4            2012 Ford F-450/550 HD Service Truck with Crane – Mechanical Maintenance  
Replacement for #27 – 1992 F-350 Service Truck
- The new service truck is needed to replace one that has over 200,000 miles on it and is in need of some major repairs to front end and rust damage. The new truck should also be outfitted with a crane to help lift heavy objects that we have to replace on some of the city equipment.*
- Item 5            2012 Ford F-250 3/4 Ton Crew Cab Pickup Truck – Mowing Department  
Replacement for #991 – 1991 GMC -1500
- This truck is 20 years old and has major mechanical problems. The dash is falling out, the brake lights don't always work, the front end needs to be replaced soon, the electrical system has massive problems, etc...*

- Item 6            2012 Ford F-250 3/4 Ton Crew Cab Pickup Truck – Mowing Department  
Replacement for #1199 – 1994 GMC -3500
- This eighteen year old truck is past its prime and the interior is starting to deteriorate. It has serious electrical problems and some transmission problems.*
- Item 7            2012 Ford F-450 Crew Cab and Chassis – Grounds Department  
Replacement for Truck #47 – 1998 GMC K3500 Crew Cab
- This fourteen year old truck has had a problematic service life. In its current state it requires \$13,615.00 worth of repairs: engine replacement (3<sup>rd</sup>), transmission rebuild and suspension overhaul. Truck without dumped is values at \$1,500.00. The cost verses benefits are insurmountable. It is time to surplus. The dump bed would be transferred to the new chassis.*
- Item 8            2012 PacMac Knuckle Boom Grapple Loader – Trash Department  
Replacement for #1331\* – circa 1980's Knuckle Boom
- Truck #1005 is 7 years old and showing wear, daily use is causing more maintenance on it. This truck will be transferred to the Grounds Department and truck #1331 will be sent to surplus. The Grounds Department uses a knuckle boom on an irregular basis and truck #1005 is sufficient for its needs. Truck #1331 has worn completely out and is not adequate for use.*
- Item 9            New Traffic Counter System – Public Works Administration  
Replacement for outdated system
- Portable traffic analyzer designed to provide accurate traffic counts, speed and classification data. These devices will be used to monitor traffic flow on roadways to provide key data necessary for Public Works and Public Safety*
- Current traffic analysis equipment is outdated. Only six out of twelve units are in working condition. Replacement units and/or parts are no longer available. Current equipment has been discontinued and broken units cannot be repaired.*
- Item 10           Chemical Storage Room Unit – Grounds Department  
New unit to bring PW into Local Fire Code & State Compliance
- This is to move all the chemicals that we use in the Grounds Department to a fire rated, self-contained, hurricane proof, state approved chemical storage room.*
- Item 11           New HVAC System for Parts Room – Mechanical Maintenance  
New system to provide climate control for inventory area
- A/C system for the parts room and office area is not adequate to cool the space as efficient as it should and the duct works needs to be replaced with metal ducts so they can be cleaned out.*

Item 12

Video Security Camera System – Mechanical Maintenance  
Request based on recommendation on Insurance Carrier

*The video security cameras will be an added benefit since we do not have a gate to secure the facility. The system that was quoted records to DVR all the time and will allow us to see all the shop area as well as the fueling station and could be used to keep a safe watch over the shop area and help in accident prevention.*

Bailey Yelding  
Mayor

David McKelroy  
Parks & Recreation  
Director



Chris Bradford  
Parks Maintenance Supervisor

Mary Jensen  
Seniors Program Coordinator

Recreation Programs Coordinator

Charlie McDavid  
Athletic Coordinator

## MEMO

TO: Mayor Bailey Yelding  
FROM: David McKelroy, Parks & Recreation Director *wom*  
RE: Capital Request  
DATE: March 8, 2012

---

New Flooring – Recreation & Senior Center	\$ 50,000.00
F450 Crew Cab	32,300.00
John Deere Z960A 60" Mower	10,200.00
John Deere Z960A 72" Mower	10,600.00
John Deere 1200A Field Groomer	16,000.00
Smithco Chemical Sprayer	33,000.00
Total	\$ 152,100.00



**CITY OF DAPHNE 5 YEAR CAPITAL PLAN: FY2012**

Area of Building	Priority	Item	DESCRIPTION	FY12 If Roof Repaired	FY12 If Roof Replaced	COMMENTS
<b>Daphne Public Library - 2012 Capital Request</b>						
			<b>BUILDING</b>			
Roof	1	Resurface	Repair or replace roof on old building	\$160,000.00	\$270,000.00	Roof is 16 years old. Roof Study commencing shortly from regular budget.
Building	2	New Flooring	Entire library; cushioned, durable, and cleanable linoleum 'wood' flooring; includes fee to move heavy furnishings and installation.	\$125,000.00	\$125,000.00	Carpet buckles and creates safety hazard. Carpet has separated, is coming up from base, has discolorations that cannot be removed, and creates difficulties when traveling with wheelchair, cart, or other rolling equipment.
Building	3	Repaint	All areas except children's areas (which were painted in 2007)	\$25,000.00	\$25,000.00	Interior hasn't been repainted since building was new in 1996.
			Subtotal	<del>\$150,000.00</del> <b>\$310,000</b>	<del>\$420,000</del> <b>\$420,000</b>	
			<b>PERSONNEL</b>			
Staff	4	IT Librarian	Reclassify one Library Technician Position to an IT Position at Grade 14, which is the level the Library previously paid to a Library IT position.	\$8,090.80	\$8,090.80	Library will need an IT position to manage updates and repairs on all new technical equipment and software, as well as installation and maintenance of any new software or equipment to keep the library up-to-date with services.
Staff	5	Young Adult Librarian	Reclassify one 31-hour Part Time Library Aide to Young Adult Librarian (professional library personnel at part time status of 31 hours, increase from \$11.98/hr to \$15.51/hr)	\$5,960.12	\$5,960.12	Teen use of the Library has increased and response to teen activities has been positive. Employee doing the job has earned both undergraduate and Master of Library Science degrees during her employment here.
			Subtotal	\$14,050.92	\$14,050.92	
			<b>TOTAL COST</b>	<del>\$164,050.92</del>	<del>\$164,050.92</del>	

↳ **\$324,051**    **\$434,051**

## Daphne Civic Center Capital Plan 2012

Dept	DESCRIPTION	FY12
Civic Center	Roof	\$100,000.00
Civic Center	Carpet	\$50,000.00
Civic Center	Loss of Voltage Mon. System	\$3,000.00
Civic Center	Telephone Upgrade	\$3,000.00
Civic Center	Kitchen Equipment	\$10,000.00
Civic Center	Video Intercom	\$4,000.00
Civic Center	Airwall for B & C	\$23,500.00
Civic Center	Security System	\$4,000.00
Civic Center	Interior Painting	\$1,000.00
		<b>\$198,500.00</b>

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*not for*  
*reference*  




**Proposed City of Daphne ATRIP Projects - 2012-2013**

Order/ App Date	Project	Mileage	Construction	Engineering			Total	Cost Sharing	
				Survey & Design	Testing	CE&I		Federal 80%	City 20% + Eng/Design
1 March 2012	Project 2012-B - Main Street - Holy Cross to Bayfront (18,247 L.F. - 3.45 miles) - Mill and Overlay (1500 L.F. Base Repairs)	3.45	\$598,889.56	\$25,814.21	\$20,651.36	\$30,977.05	\$676,332.18	\$520,414.38	\$155,917.80
2 March 2012	Project 2012-C - Well Road Extension - Public Works Road to CR13 (1,400 L.F. - 0.265 miles) - New Road & Drainage	0.265	\$144,267.00	\$21,930.00	\$3,600.00	\$26,800.00	\$196,597.00	\$139,733.60	\$56,863.40
3 March 2012	Proposed Project 2012-D: Profit Drive Extension - Profit Drive to Johnson Road	0.275	\$251,923.63	\$20,153.89	\$7,557.71	\$15,115.42	\$294,750.64	\$219,677.40	\$75,073.24
4 March 2012	Proposed Project 2012-E: Johnson Road Extension to County Road 13 - Bottom Crossing with Bridge	1.74	\$1,413,105.30	\$98,210.00	\$30,000.00	\$111,000.00	\$1,652,315.30	\$1,243,284.24	\$409,031.06
5 October 2012	Proposed Project 2013-A: Intersection of CR13 and Cr 64 - Round-A-Bout	0.25	\$500,000.00	\$75,000.00	\$15,000.00	\$40,000.00	\$630,000.00	\$444,000.00	\$186,000.00
6 October 2012	Proposed Project 2013-B: Lake Forest - 1.1 Miles (Ridgewood Drive - North Route connecting 2a & 2b) & 0.1 Miles of Bay View Drive (1a to the bridge) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping	1.2	\$1,232,727.28	\$86,290.91	\$24,654.55	\$86,290.91	\$1,429,963.64	\$1,074,938.18	\$355,025.46
7 October 2012	Proposed Project 2013-C: Johnson Road Extension - County Road 13 to State Road 181	1.1	\$798,000.00	\$79,800.00	\$23,940.00	\$63,840.00	\$965,580.00	\$708,624.00	\$256,956.00
8 March 2013	Proposed Project 2013-D: Lake Forest - 2.1 Miles (Bayview & Ridgewood Drives - South Route connecting 2a & 2b) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping	2.1	\$2,157,272.73	\$151,009.09	\$43,145.45	\$151,009.09	\$2,502,436.37	\$1,881,141.82	\$621,294.55
9 March 2013	Proposed Project 2013-E: Lake Forest - Bridge Replacement on Bayview at Lake Forest Lake - Severely Limited Bridge	0.25	\$1,000,000.00	\$75,000.00	\$30,000.00	\$65,000.00	\$1,170,000.00	\$876,000.00	\$294,000.00
<b>Totals:</b>		<b>8.28</b>	<b>Miles</b>				<b>\$9,517,975.13</b>	<b>\$7,107,813.63</b>	<b>\$2,410,161.50</b>

Cost per Mile: \$1,149,513.90

**Proposed City of Daphne Street Improvements - Fiscal Year 2012 Summary**

Order	Project	Mileage	Construction	Engineering			Total
				Survey & Design	Testing	CE&I	
1	Project 2012-A - Intersection of Whispering Pines Rd and US Hwy 98 (Additional Turn Lanes and Signalization Upgrade)	0.37	\$400,000.00	\$0.00	\$24,000.00	\$40,000.00	\$464,000.00
2	Project 2012-B - Main Street - Holy Cross to Bayfront (18,247 L.F. - 3.45 miles) - Mill and Overlay (1500 L.F. Base Repairs)	3.45	\$598,889.56	\$25,814.21	\$20,651.36	\$30,977.05	\$676,332.18
3	Project 2012-C - Well Road Extension - Public Works Road to CR13 (1,400 L.F. - 0.265 miles) - New Road & Drainage	0.265	\$144,267.00	\$21,930.00	\$3,600.00	\$26,800.00	\$196,597.00
4	Proposed Project: Profit Drive Extension - Profit Drive to Johnson Road	0.275	\$251,923.63	\$20,153.89	\$7,557.71	\$15,115.42	\$294,750.64
5	Proposed Project: Lake Forest - 1.1 Miles (Ridgewood Drive - North Route connecting 2a & 2b) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping	1.1	\$1,130,000.00	\$79,100.00	\$22,600.00	\$79,100.00	\$1,310,800.00
6	Proposed Project: Resurfacing of Pinehill Road - 7th Street to south of Roper Ln	0.475	\$84,302.00	\$0.00	\$2,530.00	\$0.00	\$86,832.00
7	Proposed Project: Resurfacing of Douglas Road - US Hwy 90 to End of Pavement	0.25	\$20,882.00	\$0.00	\$627.00	\$0.00	\$21,509.00
<b>Totals:</b>		<b>6.19</b>	<b>Miles</b>				<b>\$3,050,820.82</b>

Cost per Mile: \$493,261.25

**Proposed City of Daphne Street Improvements - Fiscal Year 2012 Summary**

Order	Project	Mileage	Construction	Engineering			Total
				Survey & Design	Testing	CE&I	
1	Project 2012-A - Intersection of Whispering Pines Rd and US Hwy 98 (Additional Turn Lanes and Signalization Upgrade)	0.37	\$400,000.00	\$0.00	\$24,000.00	\$40,000.00	\$464,000.00
2	Project 2012-B - Main Street - Holy Cross to Bayfront (18,247 L.F. - 3.45 miles) - Mill and Overlay (1500 L.F. Base Repairs)	3.45	\$598,889.56	\$25,814.21	\$20,651.36	\$30,977.05	\$676,332.18
3	Project 2012-C - Well Road Extension - Public Works Road to CR13 (1,400 L.F. - 0.265 miles) - New Road & Drainage	0.265	\$144,267.00	\$21,930.00	\$3,600.00	\$26,800.00	\$196,597.00
4	Proposed Project: Profit Drive Extension - Profit Drive to Johnson Road	0.275	\$251,923.63	\$20,153.89	\$7,557.71	\$15,115.42	\$294,750.64
5	Proposed Project: Lake Forest - 1.1 Miles (Ridgewood Drive - North Route connecting 2a & 2b) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping	1.1	\$1,130,000.00	\$79,100.00	\$22,600.00	\$79,100.00	\$1,310,800.00
6	Proposed Project: Resurfacing of Pinehill Road - 7th Street to south of Roper Ln	0.475	\$84,302.00	\$0.00	\$2,530.00	\$0.00	\$86,832.00
7	Proposed Project: Resurfacing of Douglas Road - US Hwy 90 to End of Pavement	0.25	\$20,882.00	\$0.00	\$627.00	\$0.00	\$21,509.00
<b>Totals:</b>		<b>6.19</b>	<b>Miles</b>				<b>\$3,050,820.82</b>

Cost per Mile: \$493,261.25

**MARCH 26, 2012  
SPECIAL CALLED CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 A.M.**

**1. CALL TO ORDER**

Council President Barnette called the meeting to order at 6:30 p.m.

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

Councilman Lake gave the invocation.

**COUNCIL MEMBERS PRESENT:** Tommie Conaway; Cathy Barnette; John Lake; Kelly Reese; Ron Scott.

**ABSENT:** Derek Boulware; August Palumbo

Also present: Mayor Yelding; David Cohen, City Clerk; Rebecca Hayes, Assistant City Clerk; Jay Ross, City Attorney; Christine Ciancetta, Deputy Finance Director; Preston Bolt, Hand Arendall.

**2. DISCUSS: SERIES 2012 WARRANTS / PRESTON BOLT**

**Summary**

Although the mayor can sign the warrant purchase agreement, the council has the final right to approve the warrant via the ordinance. The council needs to be reasonably sure that they are going to approve the final issues. Once the warrant is priced for sales on the open market, if the council then decides not to move forward this will cause a bad reaction in the market with direct negative consequences to the City of Daphne for all future issues. Therefore, council needs to be sure they are going forward with the issue before the bond is priced even though they have the final right to approve the warrant.

In the case of the 2002 warrants they will be paid about 30 days after closing sometime in May. The 2006 warrants are not pre-payable until February 1, 2013 about a year before they will be subject to pre-payment, and at that time they will be pre-paid as well. All money necessary to pay off the 2006 warrants will be transferred to an escrow account with Bank of New York Melon where they will be held until the February 2013 interest payment is due with the remainder being held until August 2013 for the final pay off.

There are blanks within the ordinance that relate to the pricing of the warrants; the total principal amount that will be issued, the maturity amounts for each year that they come due and the interest rates. In addition there is provision for redemption of warrants in the future; both mandatory and optional redemption. The mandatory redemption is a technical part of the underwriting, the optional redemption is an option that they city may choose to use or not use. The City's optional redemption will probably be about eight (8) or so years out for the city to redeem those warrants if the council chooses to refinance. The exact amount of years for the City's optional redemption will be provided once the warrant is priced. The redemption terms are negotiated on the open market directly with pricing. The only other blanks are the naming of the bank which will hold the two (2) custodial accounts for the warrant. The first custodial account is for the cost of issuance of the warrant and the second custodial account is for the new money to be used on the capital construction road improvement projects.

Councilman Lake asked if this was typically a bank in the local community. He said that the city has dealt with the Bank of New York in the past.

Mr. Bolt said it could be either, and in this case it will be a local bank. Ms. Ciancetta has approached several local banks for interest rates and fees. A decision as to which bank will hold the custodial accounts will be chosen by next week.

*[Mr. Bolt began explaining the time frame the city should plan to spend all of the capital improvement money in reference to the city's eligibility to receive tax rebates.]*

**MARCH 26, 2012**  
**SPECIAL CALLED CITY COUNCIL MEETING**  
**1705 MAIN STREET**  
**DAPHNE, AL**  
**6:30 P.M.**

2

Mayor Yelding asked if the city starts all of the capital improvement projects, but does not have them completed within the two (2) year period, what is the effect on the city.

Mr. Bolt said that is OK except that you would not be eligible for the rebates. What the city does need to be able to say is that you expect to be able to spend at least 85% of the proceeds within three (3) years.

*[A question arose regarding the city making any payments to the existing 2002 and 2006 warrants prior to issuance of the Series 2012 warrant.]*

Mr. Bolt said that if you have money available now to make those payments it can be applied now before the warrant is priced. This would need to be done reasonably quickly or you can continue to pay until 2013 and pay all of them off.

Council President Barnette said that the balance will change if they keep paying for the next eight (8) years.

Mr. Bolt said what they will end up with is that all the scheduled payments will be made out of the escrow so they could still be using the same source of funds if they want to, but it will be repaying you for what has gone into the escrow. You will be using it to pay debt service on these new warrants instead of the old ones, because the concept of a refunding is you set aside enough money, in this case it is invested in Federal Securities Treasury Bonds that will mature at the times and in the amounts that are required to make every payment on the outstanding debt. So that will be done without any cash coming directly from the city, but of course, the city will be paying debt service on new debt so they could just apply that money in that way.

If there is money set aside that the city wants to apply now you can reduce the size of the new issue somewhat by using that as part of the escrow. That is an option, but it needs to be decided reasonably quickly before this is marketed.

Under Section 1.3 Findings of the council (*page 19 of packet*) the projects are listed, but they have provided in this ordinance for council to amend or supplement that list. So if you don't need all the money for this list or if council decides to do something different from this list a resolution can be adopted an amend the list.

Council President Barnette asked where in the ordinance is the council given the capability of changing the capital construction projects?

Mr. Bolt said on page 39 of the packet Section 8.2 in the second paragraph at the bottom of the page. The only condition is that you can't do anything that affects the tax exempt status. You could not decide to finance a water park that would be leased to somebody else or something like that. It should be something that is governmental purpose.

On page 21 of the packet are some of the blanks. One of them is the principle amount, and the principle amount changes based on what the relative rates are between the refunding portion, the refunding cost and the rates that are being paid on the warrants, and so it won't vary a lot, but it will vary somewhat, and they don't know what the number is until the warrants are actually sold. The day they are priced it can be figured, the escrow cost for the refunding and what the rates are on this, and add \$3 million to it for the new money, and that is the way that is arrived. Below that is the maturity and the interest rate which will also be filled in for the same reasons.

Mayor Yelding asked if all the blanks will be filled in before they approve the ordinance.

Mr. Bolt said they have to be. The other blanks are typical. The warrant is a summary of the basic terms of the debt, and is the instrument that is held by the trustees for the benefit of the warrant holders.

**MARCH 26, 2012**  
**SPECIAL CALLED CITY COUNCIL MEETING**  
**1705 MAIN STREET**  
**DAPHNE, AL**  
**6:30 P.M.**

Article IV deals with the nature of the obligation which is a general obligation of the city. So it is payable out of any of the revenues. The city agrees to maintain the warrant fund at a level sufficient to make debt service payments.

Article V deals with redemption. This is another blank, and it is possible that there won't be mandatory redemption. There will be optional redemption, but he does not know exactly when that will kick in, probably, eight(8) years based on what Pfil thinks the market will do. So they expect they will go there, but they do not know yet, and that means you can pre-pay at Par, no premiums after a certain period of time, and in this case they expect it to be eight (8) years.

Article VII has blanks relating to exactly where all of the warrant proceeds will go once issued; the amounts are blank, and the name of the custodian of the issuance and constructions funds are blank, and they will fill those in once they know how much will be required to refund the 2002 warrants and how much will be required to refund the 2006 warrants, and then they will have an amount to pay cost of issuance and the \$3 million which will be the remaining amount which will be almost exactly \$3 million, but that is usually where the rounding amount goes, but it will be something close to \$3 million.

There are a number of covenants with respect to maintaining the tax exempt status of these, and there will also be agreements in what is called a tax certificate agreement which is one of the closing documents that will be signed at closing, and it will have all the details of how the money is going to be spent, and how it is going to be invested so that there is a roadmap for the city to use showing exactly what the city can and cannot do going forward with regard to the proceeds

Page 48 / General Obligation Refunding and Improvement Warrants Series 2012

The most important things that council needs to know about this document is that it is what investors will rely on when they make their investment decision, and so it contains information about the securities themselves, about the warrant. It contains financial information concerning the city, and it will be attached to it the city's most recent audit, and it will have summary information from the un-audited numbers for the most recent fiscal year. It will show investors how the money is going to be spent. It also has a fair amount of information about the city, generally about the demographics, economic information, population, where revenues come from so that people can make a determination, and it is important that the information is accurate, and it is, secondly, important that the information is updated. So it will be updated each year as the city gets new financial statements, and they will file them.

Page 77 / The Warrant Purchase Agreement

The purchase agreement is between the City and Gardnyr Michael Capital in the form of a letter from Gardnyr Michael to the city which then the city accepts. It provides for the purchase of several warrants, provides for the underwriting discount, and it will have attached to it maturities, interest rates and other information that will appear in lots of other places. It provides for conditions to closing, and he would say that the underwriters conditions to closing are fairly typical, it is in Section 6 (*page 80 in the packet*), and this is new. This year there are three (3) conditions to closing:

- 1) that you have adopted the ordinance itself
- 2) that the underwriters has certified adequately as to the price at which the warrants were sold which is a tax concept which the IRS has suddenly decided is their hot button topic, and they are fawning all over issuers to make sure that the underwriters aren't cheating the issuers, which he thinks should be the other way round. It is very important to be able to point out that the city has made an effort to make sure the underwriter does his duty, and he will be able to tell exactly how the warrants were priced, and how it was done
- 3) Finally, that the city gets a report from the accountants that says that the escrows are adequate to fund the debt service to come due on the 2002 and 2006 warrants which protects the city so you don't get a claim against it later that you need to put some more money into the escrow.

**MARCH 26, 2012  
SPECIAL CALLED CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

The city is responsible for most of the expenses with regard to the issuance, and those are listed, in a general sort of way, in paragraph eight (8) (*page 83 of the packet*) nothing unusual there. The purchase agreement would be signed and presented by Gardnyr Michael on the day the warrants are priced. Then either that day or the next day the Mayor will sign it subject to council approval at the next meeting or the following meeting.

There are two (2) escrow trust agreements. The first one begins on page 87, and the second one begins on page 95. The first one relates to the 2002 warrants, and it is pretty simple, both of these are the form they use for this. It provides for the money to pay these outstanding warrants to be set aside so that the city can't get to it, and no one else can get to it except to pay debt service on the outstanding warrants, and The Bank of New York Mellon Trust Company will be the trustee for both of those escrows, and will pay the money out as it needs to be paid out. The 2002 warrants they will hold approximately 30 days, and then they will apply the money, and pay off all the warrants, and it will be gone. The 2006 warrants is somewhat more complicated, although, not terribly, in that it provides that the money that goes in will be invested in what are called "SLUGS", State and Local Government Series Treasury's with a prescribed interest rate that is designed not to violate the arbitrage restrictions so that you do not have to worry about whether you invested and made too much money off it, and also you can know exactly how much is going to be earned on each date, and those treasury's will come due on the dates they need to come due to pay debt service as it is due. So both timing and interest rates are set to meet the city's requirements. Unfortunately, the rates on that like everything else are terrible right now so you will be paying negative arbitrages they way it is referred to in the market, that is, you will be loosing money between the yield you are paying the debt and what you are earning on this.

Mr. Ross said it is envisioned that at the next council meeting the ordinance will be passed so he asked how long after that for all this to get done?

Mr. Bolt said the closing will be scheduled sometime around the 16<sup>th</sup> or so of April. All the figures will be in the ordinance for the Monday meeting. The hope is that you will have everything Friday that council will need to approve the ordinance with all the blanks filled in. It is possible that they will be doing some correcting over the weekend, but it will be minor. They are supposed to have the pricing information Thursday.

**3. PUBLIC PARTICIPATION**

No one spoke for or against Ordinance 2012-26.

**3. SERIES 2012 WARRANTS / ORDINANCE 2012-26**

**RESOLUTIONS**

- a.) **Calling for the Redemption of the City's General Obligation Warrants Series 2002 and the Redemption of the City's Limited Obligation Special Tax Warrants, Series 2006. .... /Resolution 2012-28**

**NO ACTION WAS TAKEN FOR RESOLUTION 2012-28. IT WILL BE ON THE APRIL 2, 2012 COUNCIL MEETING FOR ADOPTION.**

**MARCH 26, 2012  
SPECIAL CALLED CITY COUNCIL MEETING  
1705 MAIN STREET  
DAPHNE, AL  
6:30 P.M.**

**ORDINANCES**

**1<sup>ST</sup> READ**

- a.) **Authorizing the Issuance of \$\_\_\_\_\_ of General Obligation Refunding And Improvement Warrants. .... /Ordinance 2012-26**

**ORDINANCE 2012-26 WAS MADE A 1<sup>ST</sup> READ.**

**4. ADJOURN**

<b>MOTION BY Councilman Lake to adjourn. <i>Seconded by Councilman Scott.</i></b>		
<b>AYE</b>	<b>ALL IN FAVOR</b>	<b>NAY NONE OPPOSED MOTION CARRIED</b>

**There being no further business to discuss the meeting adjourned at 7:22 p.m.**

Respectfully submitted by,

\_\_\_\_\_

David L. Cohen,  
City Clerk, MMC

Certification by Presiding Officer:

\_\_\_\_\_

Cathy S. Barnette,  
Council President

City of Daphne, Alabama

**NATIONAL PUBLIC SAFETY TELECOMMUNICATORS  
WEEK**

**April 8-14, 2012**

*WHEREAS*, emergencies can occur at any time that require police services;  
and,

*WHEREAS*, when an emergency occurs, the prompt response of police officers  
is critical to the protection of life and preservation of property; and

*WHEREAS*, the safety of our police officers is dependent upon the quality and  
accuracy of information obtained from citizens who telephone the Daphne Police  
Communications Center; and,

*WHEREAS*, Public Safety Dispatchers are the single and most critical contact  
our citizens have with emergency services; and

*WHEREAS*, Public Safety Dispatchers of the Daphne Police Department have  
contributed substantially to the apprehension of criminals, and each dispatcher has  
exhibited compassion, understanding, and professionalism during the performance of  
their job in the past year.

*NOW, THEREFORE*, the Mayor and City Council of the City of Daphne,  
Alabama do hereby proclaim the week of April 8-14, 2012:

*National Public Safety Telecommunicators Week*

In honor of the men and women whose diligence and professionalism keep our city  
and citizens safe.



*Bailey Yelding, Jr.*  
Bailey Yelding, Jr., Mayor

ATTEST:

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

**PUBLIC HEARING  
FOR COUNCIL MEETING  
APRIL 2, 2012**

**TO CONSIDER:**

1. Codification of Ordinances
  
2. Rezone: Blacksher White-Spunner, etal  
Location: Southwest of the intersection of U.S. Highway 90  
and County Road 13  
Present Zoning: R-3, High Density Single Family Residential  
District Proposed Zoning: B-1, Local Business  
Recommendation: Failed to set forth a favorable recommendation / A  
super majority vote is needed for a favorable  
recommendation, and the vote was five (5)  
affirmative - one (1) dissenting

**ORDINANCE NO. 2012-**

**An Ordinance adopting and enacting the 2005 Supplement Code for the City of Daphne, Alabama providing for the repeal of certain ordinances not included therein; providing a penalty for the violation thereof; providing for the manner of amending such Code; and providing when such Code and this ordinance shall become effective.**

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

SECTION 1: The Code entitled "Code of Ordinance, City of Daphne, Alabama" published by Municipal Code Corporation consisting of Chapters 1 through 20, each inclusive, is adopted; as public notice of adoption is provided in Resolution No. 2006-23 adopted the 6th day of March, 2006, as required by Code of Alabama Section 11-45-8<sup>o</sup> for the adoption of codes in book form.

SECTION 2: All ordinances of a general and permanent nature enacted on or before August 16, 1993, and not included in the Code or recognized and continued in force by reference therein, are repealed.

SECTION 3: The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

SECTION 4: Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof, shall be punished by a fine of not more than five hundred dollars (\$500.00) and imprisonment for not more than six (6) months, or both. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided shall apply to the amendment of any Code section whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City may pursue other remedies such as abatement of nuisances, injunctive relief, and revocation of licenses or permits.

SECTION 5: Additions or amendments to the Code when passed in form as to indicate the intention of the City Council to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

SECTION 6: Ordinances adopted after August 16, 1993 that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

SECTION 7: Severability Clause - The provisions of this ordinance and the Daphne Code of Ordinances adopted hereby are severable. In the event that any of the provisions hereof, or of the Daphne Code of Ordinances are declared invalid by a Court of competent jurisdiction, then the remaining portions shall remain in full force and effect notwithstanding such invalidity.

SECTION 8: This ordinance shall become effective upon publication of such notice.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE,  
THIS \_\_\_\_ day of \_\_\_\_\_, 2012.**

\_\_\_\_\_  
**CATHY S. BARNETTE  
COUNCIL PRESIDENT**

\_\_\_\_\_  
**BAILEY YELDING, JR.,  
MAYOR**

**ATTEST:**

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

To: Office of the City Clerk  
From: Adrienne D. Jones,  
Director of Community Development  
Subject: Blacksher White-Spunner, etal  
Zoning Amendment Review  
Date: February 27, 2012

MEMORANDUM

**PRESENT ZONING:** R-3, High Density Single Family Residential

**PROPOSED ZONING:** B-1, Local Business

**LOCATION:** Southwest of the intersection of U. S. Highway 90 and County Road 13

**RECOMMENDATION:** At the Thursday, February 23, 2012, regular meeting of the Daphne Planning Commission, six members were present and the motion to set forth an favorable recommendation failed. Five members voted in the affirmative and one dissented. Although the majority of those present voted in favor of the motion, a super majority would have been necessary for a favorable recommendation.

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

Upon receipt of said documentation, please prepare an ordinance for placement on the City Council agenda of Monday, March 5, 2012 to set the public hearing for Monday, April 2, 2012.

Thank you,  
ADJ/jd

cc: file

attachment(s)

1. Community Development Report
2. Petition
3. Legal description
4. Adjacent property owners' list
5. Map of property - Sketch
6. Conceptual Master Plan

**THE CITY OF DAPHNE  
PLANNING DEPARTMENT  
APPLICATION FOR ZONING AMENDMENT**

Application Number: SDPE12-01 Date Plat Submitted: 12/28/11

Tabled Without Presentation 1/26/12 Date Presented: 2/23/12

Name of Owner: Blacksher White-Spunner, et al

Address: PO Box 7475 Mobile, AL 36670 Telephone # (251) 471-1000  
(Street or P.O. Box) (City) (State) (Zip Code)  
D. Joel Coleman

Name of Authorized Agent, if other than owner: Rester and Coleman Engineers, Inc.

Address: 66 Midtown Park West Mobile, AL 36606 Telephone # (251) 479-4518  
(Street or P.O. Box) (City) (State) (Zip Code)

Subdivision: Highway 90 Business Park

Lot(s): 3 Unit n/a

- Two (2) copies of legal description of the subject property.
- Two (2) copies of subdivision plat or site plan drawn to scale, (28" x 36").
- List of the names and mailing addresses for the adjacent property owners (Date Submitted: 12/28/11).

Meeting Dates:

Planning Commission: Tabled Without Presentation 1/26/12  
Present 2/23/12

City Council: \_\_\_\_\_

Reason(s) for requesting the Zoning Amendment:

The property's location at the Southwest corner of U.S. Highway 90 and County Road 13 combined with the numerous other commercial developments along U.S. Highway 90 in this area, suggest that a B-1 zoning would be appropriate for this property.

*D. Joel Coleman*  
**SIGNATURE OF OWNER OR AUTHORIZED REPRESENTATIVE**  
D. Joel Coleman - Rester and Coleman Engineers, Inc.  
(Application for a Zoning Amendment information shall be that of the owner of the subject property).

APPLICATION FOR ZONING AMENDMENT

STATE OF ALABAMA)  
COUNTY OF BALDWIN)  
CITY OF DAPHNE)

This is to certify that I (we) the undersigned am the owner(s) of said property and do hereby request the City of Daphne to grant a Zoning Amendment for said property for the reasons outlined herein:

1) Description of property for which amendment is requested:

- a) Address n/a
- b) Name of Subdivision Highway 90 Business Park, Phase One
- c) Lot numbers involved in change Lots 1, 2 and 3
- d) Total acreage of change 3.4092 Acres
- e) Recorded in Map Book \_\_\_\_\_ Page \_\_\_\_\_
- f) Owned in whole by the undersigned? no
- g) If owned in part, name(s) of co-owner(s) :  
see attached "List of Owners"

2) Zoning change requested:

- a) Present classification of property R-3
- b) Reclassification desired B-1
- c) Character of neighborhood Residential to the West and commercial to the Northeast

3) Certifications:

- a) Owner's Name Blacksher White-Spunner, et al
- b) Address PO Box 7475 Mobile, AL 36670
- c) Telephone Number (251) 471-1000
- d) Date 12/28/11

See attached letter of authorization

Signature of Property Owner

*D. Joel Coleman*  
Signature of Property Owner

D. Joel Coleman  
Rester and Coleman Engineers, Inc.  
2 (Authorized Agent)

AGREEMENT

**...ALLOWING THE CITY OF DAPHNE TO POST PUBLIC NOTICE SIGNS ON THE PROPERTY FOR WHICH AN APPLICATION FOR A ZONING AMENDMENT HAS BEEN SUBMITTED TO THE CITY COUNCIL.**

I hereby agree to allow the City of Daphne to post on my property, for which an application for a zoning amendment has been submitted to the City Council, a sign or sign(s) notifying the general public of said request. I understand the City of Daphne shall erect and maintain said sign(s) for the prescribed period of time and remove the same.

12/28/11

\_\_\_\_\_  
Date



Signature of Property Owner

D. Joel Coleman  
Rester and Coleman Engineers, Inc.  
(Authorized Agent)

**BLACKSHER WHITE-SPUNNER, ET. AL.**

**(B. White-Spunner, R. Tindell, Jr., Jay E., L.L.C., J. White-Spunner, M.M. Cummings, Estate of David R. Coley, S. Coley, M.A. Ball, K.C. Coats, and AIRP, L.L.C.)**

**ZONING AMENDMENT REVIEW**

**SOUTHWEST OF COUNTY ROAD 13 AND U. S. HIGHWAY 90**

**EXHIBIT "A"**

**STATE OF ALABAMA)  
COUNTY OF BALDWIN)**

**DESCRIPTION OF PROPERTY TO BE REZONED FROM R-3 TO B-1:**

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, T4S-R2E, BALDWIN COUNTY, ALABAMA; SAID POINT BEING ON THE EAST BOUNDARY OF LAKE FOREST, UNIT 25, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 86 OF THE PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG SAID EAST BOUNDARY OF LAKE FOREST, UNIT 25, RUN N 00° 16' 26" E 468.87 FEET TO THE NORTHEAST CORNER OF SAID LAKE FOREST, UNIT 25 AND THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; SAID POINT BEING ON THE CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK; THENCE ALONG THE NORTH BOUNDARY OF SAID LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 44' 11" W 96.31 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 86° 00' 27" W 200.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 51° 06' 47" W 62.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 39' 00" W 85.86 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 59° 41' 00" W 214.16 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 80° 14' 08" W 67.29 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 89° 25' 57" W 95.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 74° 28' 15" W 205.84 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 41° 02' 51" W 148.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 59° 59' 33" W 73.71 FEET TO THE NORTHEAST CORNER OF LAKE FOREST, UNIT 24, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 85 OF THE AFOREMENTIONED PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 40° 17' 16" W 202.35 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 51° 54' 58" W 79.42 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 32° 57' 38" W 69.21 FEET TO THE SOUTHEAST CORNER OF OAK CREEK SUBDIVISION, AS PER PLAT RECORDED ON SLIDE NO. 2205-D OF SAID PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE EAST BOUNDARY OF SAID OAK CREEK SUBDIVISION, RUN N 00° 50' 07" W 2201.98 FEET TO THE NORTHEAST CORNER OF SAID OAK CREEK SUBDIVISION; SAID POINT BEING ON THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90; THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN N 89° 03' 35" E 65.00 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUING N 89° 03' 35" E ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN A DISTANCE OF 540.00 FEET TO A POINT; THENCE RUN S 00° 56' 25" W 275.00 FEET TO A POINT; THENCE RUN S 89° 03' 35" W 540.00 FEET TO A POINT; THENCE RUN N 00° 56' 25" E 275.00 FEET TO THE POINT OF BEGINNING. CONTAINING 148,500 SQUARE FEET OR 3.4092 ACRES.

**REFERENCE: HIGHWAY 90 BUSINESS PARK**

**REVISED: FEBRUARY 8, 2012**

HIGHWAY 90 BUSINESS PARK  
ZONING AMENDMENT  
LIST OF OWNERS

B. WHITE-SPUNNER  
PO BOX 7475  
MOBILE, AL 36670  
(251) 471-1000

ROLLINS TINDELL, JR.  
100 AUSTILL PLACE  
MOBILE, AL 36608  
(251) 473-1900

JAY-E, LLC  
BY: B. WHITESPUNNER  
PO BOX 7475  
MOBILE, AL 36670  
(251-) 471-1000

JOHN WHITE-SPUNNER, ET AL  
PO BOX 7986  
MOBILE, AL 36607  
(251) 490-5189

MARL M. CUMMINGS, III  
CUMMINS & ASSOCIATES, INC.  
ONE HOUSTON STREET  
MOBILE, AL 36606  
(251) 476-6000

THE ESTATE OF DAVID R. COLEY  
C/O ROBERT S. COLEY, PERSONAL REPRESENTATIVE  
759 DOWNTOWNER LOOP WEST  
MOBILE, AL 36609  
(251) 344-2660

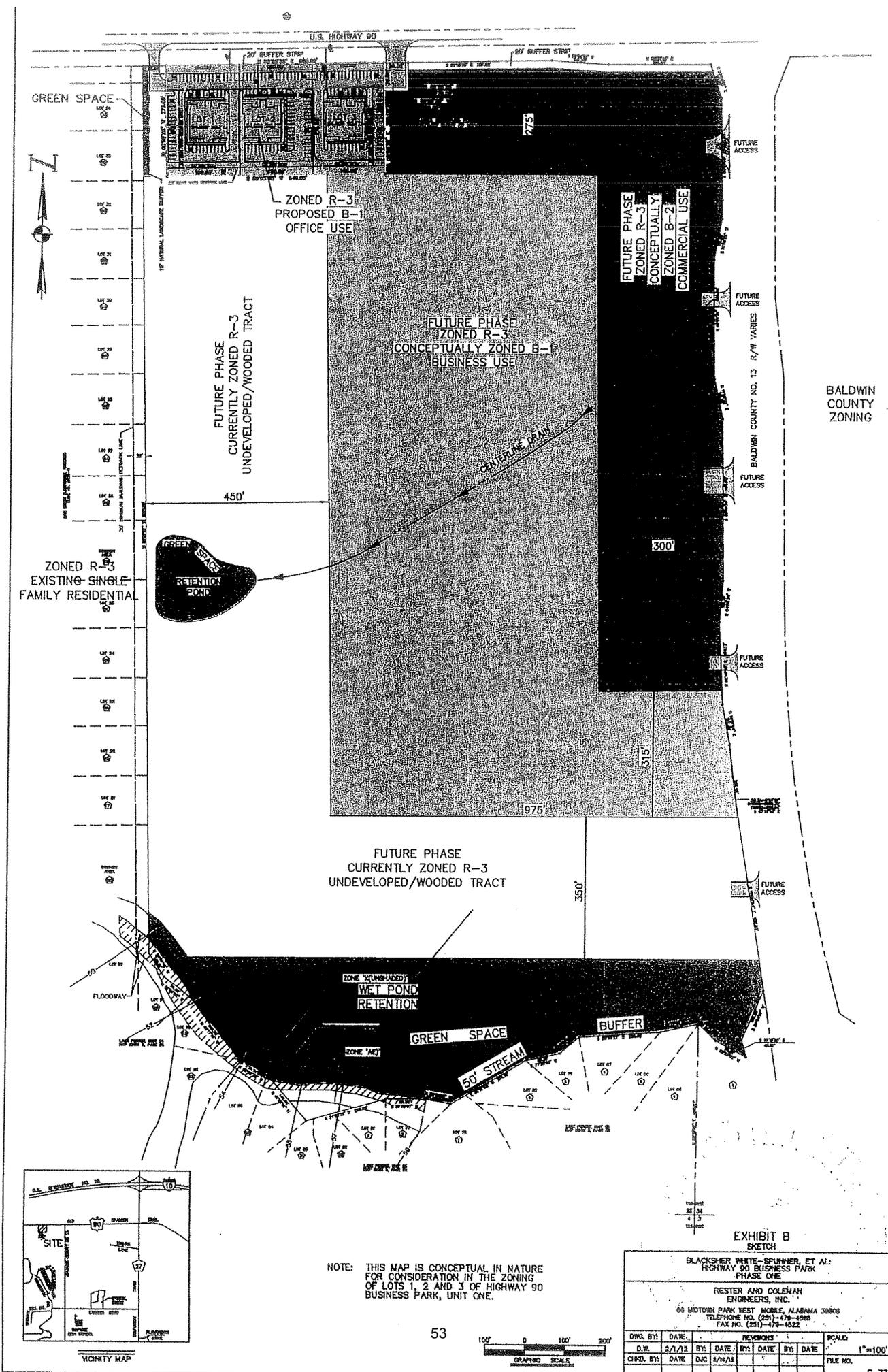
SEAN COLEY  
GUARANTEE TITLE  
PO BOX 9069  
MOBILE, AL 36691  
(251) 344-2660

MARY ANNE BALL  
301 LONG COURT  
MOBILE, AL 36608  
(251) 341-5002

KARA COLEY COATS  
94 SOOST COURT  
MOBILE, AL 36608  
(251) 343-9177

AIRP, LLC  
BY: B. WHITE-SPUNNER  
PO BOX 7475  
MOBILE, AL 36670  
(251) 471-1000





ZONED R-3  
EXISTING SINGLE  
FAMILY RESIDENTIAL

ZONED R-3  
PROPOSED B-1  
OFFICE USE

FUTURE PHASE  
ZONED R-3  
CONCEPTUALLY ZONED B-1  
BUSINESS USE

FUTURE PHASE  
ZONED R-3  
CONCEPTUALLY  
ZONED B-2  
COMMERCIAL USE

FUTURE PHASE  
CURRENTLY ZONED R-3  
UNDEVELOPED/WOODED TRACT

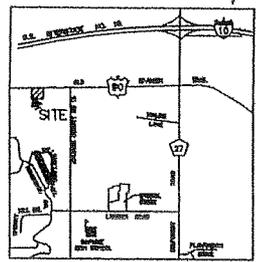
FUTURE PHASE  
CURRENTLY ZONED R-3  
UNDEVELOPED/WOODED TRACT

ZONE (UNSHADED)  
WET POND  
RETENTION

GREEN SPACE

50' STREAM

BUFFER



NOTE: THIS MAP IS CONCEPTUAL IN NATURE FOR CONSIDERATION IN THE ZONING OF LOTS 1, 2 AND 3 OF HIGHWAY 90 BUSINESS PARK, UNIT ONE.

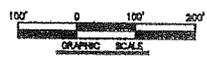


EXHIBIT B  
SKETCH

BLACKSHER WHITE-SPUNNER, ET AL: HIGHWAY 90 BUSINESS PARK PHASE ONE					
RESTER AND COLEMAN ENGINEERS, INC.					
68 WILSON PARK WEST MOBILE, ALABAMA 36608 TELEPHONE NO. (251)-478-4848 FAX NO. (251)-478-4822					
DWG. BY:	DATE:	REVISIONS:		SCALE:	
D.W.	2/1/12	BY:	DATE:	BY:	DATE:
CHD. BY:	DATE:	D.W.	2/14/12		
					FILE NO.
					1"=100'

CITY OF DAPHNE, ALABAMA  
ORDINANCE NO. 2012-

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**Ordinance to Rezone Property Located  
Southwest of the Intersection of U.S. Highway 90 and County Road 13  
Blacksher White-Spunner, etal**

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**WHEREAS**, Blacksher White-Spunner, etal, as the owner of certain real property located within the City of Daphne, Alabama, has requested that said property be rezoned from R-3, High Density Single Family Residential District to B-1, Local Business District; and,

**WHEREAS**, said real property is southwest of the intersection of U.S. Highway 90 and County Road 13, and more particularly described as follows:

**DESCRIPTION OF PROPERTY TO BE REZONED FROM R-3 TO B-1:**

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, T4S-R2E, BALDWIN COUNTY, ALABAMA; SAID POINT BEING ON THE EAST BOUNDARY OF LAKE FOREST, UNIT 25, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 86 OF THE PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG SAID EAST BOUNDARY OF LAKE FOREST, UNIT 25, RUN N 00° 16' 26" E 468.87 FEET TO THE NORTHEAST CORNER OF SAID LAKE FOREST, UNIT 25 AND THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; SAID POINT BEING ON THE CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK; THENCE ALONG THE NORTH BOUNDARY OF SAID LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 44' 11" W 96.31 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 86° 00' 27" W 200.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 51° 06' 47" W 62.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 39' 00" W 85.86 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 59° 41' 00" W 214.16 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 80° 14' 08" W 67.29 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 89° 25' 57" W 95.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 74° 28' 15" W 205.84 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 41° 02' 51" W 148.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 59° 59' 33" W 73.71 FEET TO THE NORTHEAST CORNER OF LAKE FOREST, UNIT 24, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 85 OF THE AFOREMENTIONED PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 40° 17' 16" W 202.35 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 51° 54' 58" W 79.42 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 32° 57' 38" W 69.21 FEET TO THE SOUTHEAST CORNER OF OAK CREEK SUBDIVISION, AS PER PLAT RECORDED ON SLIDE NO. 2205-D OF SAID PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE EAST BOUNDARY OF SAID OAK CREEK SUBDIVISION, RUN N 00° 50' 07" W 2201.98 FEET TO THE NORTHEAST CORNER OF SAID OAK CREEK SUBDIVISION; SAID POINT BEING ON THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90; THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN N 89° 03' 35" E 65.00 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUING N 89° 03' 35" E ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN A DISTANCE OF 540.00 FEET TO A POINT; THENCE RUN S 00° 56' 25" W 275.00 FEET TO A POINT; THENCE RUN S 89° 03' 35" W 540.00 FEET TO A POINT; THENCE RUN N 00° 56' 25" E 275.00 FEET TO THE POINT OF BEGINNING. CONTAINING 148,500 SQUARE FEET OR 3.4092 ACRES.

**WHEREAS**, at the City of Daphne Planning Commission meeting on February 23, 2012 the Commission considered said request and failed to set forth a favorable recommendation to the City Council of the City of Daphne that said property be rezoned; and,

**WHEREAS**, due notice of said proposed rezoning has been provided to the public as required by law through publication and open display at the Daphne Public Library and City Hall, a public hearing was held before the City Council on April 2, 2012; and,

**WHEREAS**, the City Council of the City of Daphne after due consideration and upon consideration of the recommendation of the Planning Commission, deemed that said application for rezoning of the above described real property is proper and in the best interest of the health, safety and welfare of the citizens of the City of Daphne, Alabama; and

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

**SECTION I: ZONING**

That above described real property is hereby rezoned from R-3, High Density Single Family Residential District to B-1, Local Business District, and that the zoning ordinance and zoning map be amended to reflect the said zoning change.

**SECTION II: REPEALER.**

All other City Ordinances or parts thereof in conflict with the provisions of this Ordinance, in so far as they conflict, are hereby repealed.

**SECTION III: SEVERABILITY.**

The provisions of this Ordinance are severable. If any provision, section, paragraph, sentence, or part thereof shall be held unconstitutional or invalid, such decision shall not affect or impair the remainder of said Ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence, and part thereof separately and independently of each other.

**SECTION IV: EFFECTIVE DATE.**

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

ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF  
DAPHNE, ALABAMA, THIS \_\_\_\_ day of \_\_\_\_\_, 2012.

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Cathy S. Barnette,  
Council President

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Bailey Yelding, Jr.,  
Mayor

ATTEST:

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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**

## Public Safety Committee

*Wednesday, March 14, 2012*

Councilman Derek Boulware  
Councilman Kelly Reese  
Councilman Ron Scott  
Fire Chief James White  
Public Works, Melvin McCarley

Police Chief David Carpenter  
Captain Scott Taylor  
Captain Daniel Bell  
Tracy Bishop - Secretary

### **Committee Members Attending:**

Councilman Derek Boulware, Councilman Kelly Reese, Councilman Ron Scott, Chief David Carpenter, Chief James White, Melvin McCarley, and Lt. Beedy.

### **CALL TO ORDER**

Councilman Boulware convened the meeting at 4:35 p.m.

**PUBLIC PARTICIPATION** – Andy Hayes was in attendance from Stuart Street asking the committee for a traffic calmer. He had in hand a petition that had signatures from his street along with a map of the street. He states that citizens are using Stuart Street as a cut through street to get into and out of Lake Forest and that they drive very fast. Councilman Boulware suggested D-Runs to deter speeding and do car counts. Chief stated that he would line the D-runs up with Captain Bell.

Rachel Burt was not in attendance but was asking for traffic calmers on Dryer Avenue. We also lined up D-Runs to deter speeding from Bayside Academy Students.

### **APPROVAL OF MINUTES FROM PREVIOUS MEETING**

Minutes from January 11, 2012 (No February meeting) – Councilman Reese made a motion to accept the minutes as presented; motion was seconded by Councilman Boulware. Councilman Scott abstained.



### **POLICE DEPARTMENT**

- A. **New Business** - Chief Carpenter went over the statistics and D-Runs from January, 2012. He announced that Ben Mitchell was promoted to Corporal and is the new warrants officer.

Chief stated that Slingshot was hosting teenage parties and that they had a big fight that police had to break up. The teenagers then went to Waffle House and started fighting at Waffle House. The Daphne Police had to call in Spanish Fort Police to assist with this call. Chief said that until we hear from Jay Ross and his advice on shutting down Slingshot, we'll just keep answering the calls there.

The police department has ordered four (4) Tahoe's. The cut-off date for production was today for 2012. He thanked the council for their emergency passage of the ordinance.

**B. Old Business – None**

**FIRE DEPARTMENT**

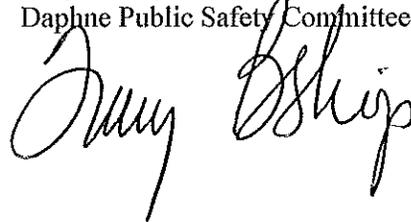
- A. New Business** – Chief White went over his stats. Chief handed out an award letter stating that they had been the recipient of a \$55,800 grant for thermal imaging cameras. This will be forwarded to Finance Committee Meeting asking for a match of these funds to purchase 1 camera and 9 air packs.
- B. Old Business-** None

**OTHER BUSINESS**

**ADJOURN**

There being no further business to discuss, Mr. Boulware adjourned the meeting at 5:03 p.m. The next meeting will be Wednesday, April 11, 2012 at 4:30 p.m. at City Hall Council Chambers.

Respectfully submitted,  
Daphne Public Safety Committee

A handwritten signature in black ink, appearing to read "Jimmy Bishop". The signature is written in a cursive style with a large initial "J" and "B".

**CITY OF DAPHNE**  
**FIRE DEPARTMENT MONTHLY REPORT**  
**Report Period: December 2011**

	Current:	FY to Date:
<b>Suppression:</b>		
<b>1-Fire/Explosion:</b>	-	-
10-Fire, Other	1	6
11-Structure Fire/Commercial	0	2
11-Structure Fire/Residential	1	38
12-Fire in Mobile Property used as fixed structure	0	1
13-Mobile Property (vehicle) Fire	1	12
14-Natural Vegetation Fire	1	19
15-Outside Rubbish Fire	1	17
16-Special Outside Fire	0	7
17-Cultivated Vegetable Crop Fire	0	0
<b>2-Overpressure Rupture:</b>	0	2
<b>3-Rescue Call and Emergency Medical Service Incidents:</b>	130	1731
<b>4-Hazardous Conditions (No fire):</b>	3	51
<b>5-Service Call:</b>	8	129
<b>6-Good Intent Call:</b>	16	191
<b>7-False Alarm &amp; False Call:</b>	19	258
<b>8-Severe Weather &amp; Natural Disaster:</b>	0	3
<b>9-Other Situation:</b>	0	2
<b>Total Emergency Calls:</b>	<b>176</b>	<b>2394</b>
<b>Monthly Total Calls:</b>	<b>181</b>	<b>2495</b>
<b>Miscellaneous Reports:</b>		
<b>Highest:</b>	21:00	21:00
<b>Lowest:</b>	>1	<1
<b>Average (Minutes/Seconds) :</b>	5:11	5:11
<b>Training Hours</b>	2444	858.25
<b>Property Loss - \$</b>	\$1400.00	\$1,710,077.00
<b>Fire Personnel Injuries by Fire/Civillian Injuries by Fire</b>	0	1
<b>Advance Life Support Rescues</b>	91	1160
<b>Number of Patients Treated</b>	140	1735
<b>Child Passenger Safety Seat Inspections/Installations</b>	13	152
<b>Classes</b>	1	87
<b>Persons Attending</b>	14	5868
<b>Plan Reviews</b>	43	149
<b>Final/Certificate of Occupancy</b>	0	10
<b>General/Annual Inspections</b>	45	747
<b>General/Re-Inspections (Violation Follow-up - Annual)</b>	15	277
<b>Business Licenses</b>	0	58
<b>Consultations-</b>	0	0
<b>All Other/Misc. Activities</b>	0	34
<b>Total Activities:</b>	<b>103</b>	<b>1285</b>

Authorized by:

*James White*

60  
Chief James White

**CITY OF DAPHNE**  
**FIRE DEPARTMENT MONTHLY REPORT**  
**Report Period: January 2012**

	Current:	FY to Date:
<b>Suppression:</b>		
<b>1-Fire/Explosion:</b>	-	-
10-Fire, Other	0	0
11-Structure Fire/Commercial	2	2
11-Structure Fire/Residential	2	2
12-Fire in Mobile Property used as fixed structure	1	1
13-Mobile Property (vehicle) Fire	1	1
14-Natural Vegetation Fire	2	2
15-Outside Rubbish Fire	1	1
16-Special Outside Fire	0	0
17-Cultivated Vegetable Crop Fire	0	0
<b>2-Overpressure Rupture:</b>	0	0
<b>3-Rescue Call and Emergency Medical Service Incidents:</b>	162	162
<b>4-Hazardous Conditions (No fire):</b>	2	2
<b>5-Service Call:</b>	17	17
<b>6-Good Intent Call:</b>	13	13
<b>7-False Alarm &amp; False Call:</b>	20	20
<b>8-Severe Weather &amp; Natural Disaster:</b>	0	0
<b>9-Other Situation:</b>	0	0
<b>Total Emergency Calls:</b>	<b>214</b>	<b>214</b>
<b>Monthly Total Calls:</b>	<b>223</b>	<b>223</b>
<b>Highest:</b>		
	19:00	19:00
<b>Lowest:</b>		
	<1	<1
<b>Average (Minutes/Seconds) :</b>		
	5:25	5:25
<b>Miscellaneous Reports:</b>		
<b>Training Hours</b>	939.50	939.50
<b>Property Loss - \$</b>	260,000.00	260,000.00
<b>Fire Personnel Injuries by Fire/Civilian Injuries by Fire</b>	0	0
<b>Advance Life Support Rescues</b>	105	105
<b>Number of Patients Treated</b>	165	165
<b>Child Passenger Safety Seat Inspections/Installations</b>	7	7
<b>Classes</b>		
	0	0
<b>Persons Attending</b>		
	0	0
<b>Plan Reviews</b>		
	36	36
<b>Final/Certificate of Occupancy</b>		
	0	0
<b>General/Annual Inspections</b>		
	31	31
<b>General/Re-Inspections (Violation Follow-up - Annual)</b>		
	42	42
<b>Business Licenses</b>		
	4	4
<b>Consultations-</b>		
	0	0
<b>All Other/Misc. Activities</b>		
	0	0
<b>Total Activities:</b>	<b>113</b>	<b>113</b>

Authorized by:

*James White*

Chief James White



Patrol Division	Detective Division:	JAIL:	Animal Control	Crimes Reported This Month:							
(Capt. Bell/Lt. Hempfleng)	(Capt. Bell/Lt. Beedy)	(Capt. Taylor/Lt. Yelding)	(Capt. Taylor/Lt. Yelding)								
# Complaints	1,189	# New Cases Received:	58	Total Arrestees Received & Processed:	167	544	YTD				
# Misd. Arrests	68	# Previous Unsolved Cases:	89	Arrests by Agency:	Daphne PD	97	347	#Complaints	31	Arson	0
# Felony Arrests	2	# Cases Solved:	34	Daphne PD	97	347	#Follow-ups	63	Burglary - Commercial	2	
DTJ Arrests	10	Resulting in Total Arrests:	2	BCSO	5	34	#Citations	2	Burglary - Residence	11	
Alias Warrant Arrests	39	Felones:	1	Spanish Fort PD	52	115	#Warnings	8	Burglary - Vehicle	9	
Citations	184	Misdemeanors:	1	Silverhill PD	8	36	#Fines Captured	10	Criminal Mischief	5	
Close Patrols	680	Houses Searched	0	Troopers	5	10	#Canines Captured	27	Disorderly Conduct	0	
Warnings	134	Other Agencies	0	Other Agencies	0	2	#Returned to Owner	1	Domestic Disturbance	31	
Motorist Assists	177	Warrants:					#Adopted Out	7	False Info to Police	0	
Roadway Accidents	73	Better Served	7				#Euthanized	9	Felony Assault	1	
Private Property Accidents	14	Agency Assists	0					15	Felony Theft	9	
Traffic Homicide	0	Recalls (Pd Fines)	6	Highest	25				Harassment	2	
DRUG REPORT		Total Warrants Served	13	Lowest	9				Identity Theft	6	
ROUTINE PATROL/SPECIAL OPS		Sex Offender:		Meals Served	1,474	4,972			Indecent Exposure	1	
# Misd. Marijuana Arrest	2	New Registration:	1	Medical Cost	\$1,090.86	\$3,985.46			Kidnapping	0	
# Felony Marijuana Arrest	1	Contact Verification	0	Worker Inmate Hours	132	494			Menacing	1	
# Controlled Substance Arrest	1	Total # registered in Daphne	3						Misdemeanor Assault	2	
# Drug Paraphernalia Arrest	1	DARE:							Misdemeanor Theft	13	
Vehicles Searched	23	# Hours Report Writing:	7						Murder	0	
Drugs Seized:	0	# Students Instructed SRO	225						Other Death Investigations	1	
Type:	0	# Students Instructed DARE	125						Public Intoxication	0	
Money Seized	0	# Police Reports by SRO	5						Public Lewdness	0	
Vehicles Seized	0	# Arrest by SRO	2						Receiving Stolen Property	0	
		CODE ENFORCEMENT:							Reckless Endangerment	1	
Commercial Vehicle Inspections	4	Warnings:	3						Resisting Arrest	0	
		Citations	0						Robbery	2	
		Warning Compliance	19						Sex Crime Investigations	2	
		Follow - Up	33						Suicide	0	
									Suicide, attempted	3	
									Theft of Services	0	
									Unauthorized Use of Services	1	
									Weapon Offenses	1	
									White Collar Crimes	1	

*David Carpenter*

**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:**

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## MEMO

**TO:** CATHY BARNETTE, COUNCIL CHAIRMAN  
**CC:** MAYOR BAILEY YELDING, JR., DAVID COHEN, CITY CLERK  
**FROM:** ADRIENNE JONES, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** BOARD OF ZONING ADJUSTMENT MEMBER NEEDED  
**DATE:** March 22, 2012

On March 22, 2012, Tony Felts, a supernumerary member of the Board of Zoning Adjustment, submitted a letter of resignation. Mr. Felts is moving to San Antonio, Texas for a new job. He faithfully served on the BZA and his insightfulness will be missed. In light of that, a new appointment from the Council is in order to fill the supernumerary position.

Excerpt from the Code of Alabama 11-52-80 as it relates to BZA membership:

In addition to the five regular members provided for in this subsection two supernumerary members shall be appointed to serve on such board at the call of the chairman only in the absence of regular members and while so serving shall have and exercise the power and authority of regular members. Such supernumerary members shall be appointed to serve for three-year terms and shall be eligible for reappointment. Appointed members may be removable for cause by the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

Feel free to contact me if you have questions or concerns.

Best regards,

Adrienne

**Tony D. Felts**

237 Bay View Drive  
Daphne, Alabama 36526

Tel: 251.454.6972  
[tony.felts@gmail.com](mailto:tony.felts@gmail.com)

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March 22, 2012

Honorable Bailey Yelding  
Mayor, City of Daphne, Alabama

Dear Mayor Yelding:

It is with deepest regret that I must resign my appointment as an Alternate Member of the Board of Zoning Adjustment with the City of Daphne, Alabama. My resignation is necessitated due to my relocation to San Antonio, Texas.

It has been an honor to serve the City of Daphne.

Sincerely,



Tony D. Felts

**March 26, 2012  
CITY OF DAPHNE, AL  
INDUSTRIAL DEVELOPMENT BOARD MEETING  
1705 MAIN STREET, DAPHNE, AL  
6:00 P.M.**

**1. CALL TO ORDER/ROLL CALL**

Members present – Joe Davis, Toni Fassbender, Dennis Kerney, Dan Romanchuk, and Doug Bailey  
Also present – David Cohen

**2. OLD BUSINESS**

The IDB discussed the need to send a check for incentive for Mario Castaneda which was signed thereafter.  
Mr. Davis volunteered to be the communication director.

**3. TREASURERS REPORT**

Mr. Romanchuk gave the treasure's report with a balance of \$233,971.60.

Motion by Mr. Davis                      Seconded by Mr. Bailey                      To accept the treasure's report.

ALL IN FAVOR                      NONE OPPOSED                      MOTION CARRIED

**4. NEW BUSINESS**

None

**5. OTHER BUSINESS**

None

**6. ADJOURN**

Motion by Mr. Romanchuk                      Seconded by Mr. Bailey                      To adjourn.

ALL IN FAVOR                      NONE OPPOSED                      MOTION CARRIED

**THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING  
ADJOURNED AT 6:38 P.M.**

Respectfully Submitted,

\_\_\_\_\_  
David L. Cohen, Secretary

Approved:

\_\_\_\_\_  
Toni Fassbender, Chairman

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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**CALL TO ORDER:**

The number of members present constitutes a quorum. The regular meeting of the City of Daphne Planning Commission was called to order at 5:00 p.m.

**CALL OF ROLL:**

**Members Present:**

Dan Gibson  
Ed Kirby, Chairman  
Bailey Yelding, Jr., Mayor  
Larry Chason, Vice Chairman  
Cathy Barnette, Councilwoman  
Chief James "Bo" White

**Members Absent:**

Don Terry, Secretary  
Joe Lemoine  
Victoria Phelps

**Staff Present:**

Adrienne Jones, Director of Community Development  
Jan Dickson, Planning Coordinator  
Nancy Anderson, GIS Manager  
Erick Bussey, Associate Attorney

**Staff Absent:**

Jay Ross, Attorney  
Misty Gray, Attorney  
Richard Johnson, Public Works Director  
Ashley Campbell, Environmental Programs Manager  
Lonnie Jones, Code Enforcement Officer

**Others Absent:**

Rob McElroy, General Manager/Utilities Board of the City of Daphne  
Danny Lyndall, Operations Manager/Utilities Board of the City of Daphne  
Rex Rentz, Code Enforcement Officer/Utilities Board of the City of Daphne

The first order of business is the call to order.

Chairman: Please let the record reflect that Mr. Lemoine, Mr. Terry and Ms. Phelps are not present.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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The next order of business is the approval of the minutes.

APPROVAL OF MINUTES:

The minutes of the January 26, 2012 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 Ms. Barnette and **Seconded** by Mayor Yelding **to approve the minutes of the January 26, 2012 regular meeting. The Motion carried. Mr. Kirby abstained due to his absence at the meeting.**

The next order of business of old business under petitions is zoning amendment review for Blacksher White-Spunner, etal.

OLD BUSINESS:

HIGHWAY 90 BUSINESS PARK:

PETITIONS:

ZONING AMENDMENT:

File Z12-01:       Blacksher White-Spunner, etal

*Present Zoning: R-3, High Density Single Family Residential*

*Proposed Zoning: B-1, Local Business*

Location:        On the southwest side of County Road 13 and U. S.  
                  Highway 90  
Area:             3.40 Acres ±  
Owner(s):        B. White-Spunner, R. Tindell, Jr., Jay E., L.L.C., J.  
                  White-Spunner, M.M. Cummings, Estate of David R. Coley,  
                  S. Coley, M.A. Ball, K.C. Coats, and AIRP, L.L.C.  
Engineer:        Rester & Coleman Engineers - Joel Coleman

An introductory presentation was given by Mr. Joel Coleman, representing Rester & Coleman Engineers, requesting the rezoning of a three-point four acre parcel located southwest of the intersection of County Road 13 and U. S. Highway 90 from an R-3, High Density Single Family, to a B-1, Local Business, zone. I will be happy to answer any questions you may have.

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

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Ms. Barnette: I understand we are not doing a master plan. This is just a conceptual plan to accompany the zoning amendment, but I wanted to say at the time of the presentation of the site plan a buffer zone will be required.

Mr. Coleman: Originally, the buffer zone between the business and the residential zone was ten feet, but it has been increased to fifteen feet. You are correct in saying this is not a master plan.

Ms. Barnette: So the distance would be forty feet for the right-of-way in addition to the fifteen-foot buffer zone.

Mr. Coleman: The distance of the right-of-way will be fifty feet in addition to the fifteen feet which will make the buffer from the residential to the business zone sixty-five feet. Fifty feet is the typical width for a right-of-way. In this case it seems to be a tight fit.

Mr. Gibson: Can't we discuss the width of the buffer zone when we see the site plan? Doesn't this meet the requirements?

Chairman: It does. The City of Daphne Comprehensive Plan calls for the intersection of County Road 13 and U.S. Highway 90 to be commercial.

Mr. Chason: The reason we are here is to review the zoning amendment and the preliminary/final plat for the purpose of the development of the B-1 zone for the location of a law office. I would like to see the B-2 zone proposed along County Road 13 stop at the creek.

Chairman: Do any of the Commissioners have any further questions or comments? If not, the Chair will open the floor for public participation.

Ms. Margaret Jordan: I am here to comment on the zoning amendment and the preliminary/final plat application. We have a lot of difficulty with this proposal. First of all the application says that it is located southwest of the intersection of County Road 13 and U.S. Highway 90. The location of the site is on U.S. Highway 90. They are proposing to develop a B-3 use in a B-1 zone and name the subdivision a business park, not a professional park. A B-3 zone is the appropriate zoning for this property. B-1 is not the appropriate zoning for a professional building. That is if a change in the zoning is appropriate at all. The zoning of the adjacent property and the character of the neighborhood shown on the application is not correct. The application says that this property abuts commercial property. This property is only surrounded by R-3, High Density Single Family Residential, zoning. Also, the sign advertising the public hearing does not meet the requirements outlined in the Land Use and Development Ordinance because Article VI, Section 6-11 of the Ordinance states that "the Public Notice Sign, shall not be an advertisement sign for the proposed project, but an advertisement of the Planning Commission meeting dates and times in accordance with the standards established for such provided in Appendix G, Supplemental Information."

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Chairman: This sign does not have to have the date and time of the meeting because it is a sign posted by the City. I would like to say that we are here today to review the application for the zoning amendment and for the preliminary/final plat. All of these issues that you are commenting on are issues that shall be addressed at the time of the presentation of the site plan for the law office.

Ms. Margaret Jordan: Also, the application does not comply with the requirements of Article XVII, Section 17-12 of the Ordinance which states "Any subdivision or development which is to be developed in phases or units shall require a master plan of the proposed subdivision or development which shall be submitted to the Planning Commission for approval prior to submitting a preliminary plat application. The subdivider shall submit to the Department of Community Development, a written request for review and approval by the Planning Commission and a copy of said master plan. The master plan shall be of sufficient detail to show the proposed street and lot layout, drainage, utilities, detention, and common, recreational and landscaped areas."

Mr. John Payne: There are three approaches to this project. The first one is the common sense approach. The second one is the right thing to do. The third one is the letter of the law which is the four hundred plus pages of the Daphne Land Use and Development Ordinance. Article XIX, Section 19-5 states that "All lands within fifty feet of the right-of-way of U.S. Highway 90 are hereby declared to be a tree protection zone. No trees within this zone shall be removed, except as provided above in 19-4 (a) nor without first presenting justification based on the criteria noted in 19-6 (b) below and written approval from the designee of the Director of Public Works or upon Planning Commission approval, as applicable." A recreational area is required for a subdivision of five acres or greater. A buffer is required between commercial and residential zones. We would like to request a buffer zone of one hundred and twenty along the entire west side of the property abutting the residential zone. This property has been federally recognized as wetlands by the Corps of Engineers, U. S. Fish & Wildlife and \*ADEM of which have been identified. We have an expert here that has reviewed this and feels that there maybe more wetlands that those that are shown. We are concerned about this because of the storm water from this development will be directed to our subdivision.

Chairman: Again, I would like to say that all of the issues that you are commenting on are issues that will be addressed at the time of the presentation of the site plan for the law office.

Mr. Lavon Henley: I would not like to address technical issues. I would like to speak from the heart and the neighborly way to live. We first met with Mr. White to discuss the road that was proposed and not shown on the plans. After that, he would not meet with us again. We are concerned about zoning of property for a law office and opening the gate for other types of businesses that can go in a B-1 zone. We would like to request that you recommend the zoning of the property to be B-3. I think the buffer zone of one hundred and twenty feet would be sufficient. Please do not make U.S. Highway 90 look like U. S. Highway 98.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Mrs. Lavada Palmer: I requested that the speed limit on U. S. Highway 90 be changed, but they said they could not change it because of the type of road that it is. I then asked for a turn lane to be installed into our subdivision, and they said we do not have enough residents in the subdivision to qualify for a turn lane, and I would like to know why. We need more of a buffer zone or a wall between us and this development because of the service road that are going to build.

\*Mr. Michael Koepf: We need for them to provide a buffer zone, construct a wall or to move the street.

Mr. Cecil Palmer: The other day I visited Pecan Trace Subdivision. The detention pond is very near the houses and is not fenced so there is no protection for the kids. If you allow this development to build here, I will not be able to sell my property for more than twenty thousand dollars. At the meeting, we were told that the Alabama Department of Transportation required the service road to be placed at this location. My wife called them, and they denied it. They told her that the location of the access was requested by Mr. White at the time he submitted the plan to them.

Chairman: A business development abutting a commercial development only requires a ten-foot vegetative buffer or the construction of a wall. At this time, we are only discussing a zoning amendment and a subdivision of three lots. At the time of the submittal of the site plan to the Planning Commission, we will address all of these issues including lighting and storm water drainage. At this time, we are only addressing rezoning. Do any of the Commissioners have any further questions or comments?

Mr. Gibson: In the Table of Permitted Uses, there are not that many uses shown for a B-3, Professional Business, zone. There is a professional business proposed here. I do not think this is an unreasonable use.

Chairman: There are limited uses for a B-3 zone.

Mr. White: I represent the landowner. I wanted to say that we were advised to rezone the property to a B-1, Local Business, zone.

Ms. Barnette: In a B-3 zone, you can have a doctor or attorney office, a frame shop or a sandwich shop. The appropriate zone is determined by what your use is.

Chairman: The Land Use Ordinance distinguishes the difference between a B-1 and B-3 zone.

Mr. White: We are looking for a recommendation from you for a B-1 zone, but I will go back to the owners with whatever zone you recommend because of the time restraints our client wishes to move forward.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Mr. Chason: The conceptual drawing shows a transition for the zoning and the access to U.S. Highway 90. I would like to see a compromise by either relocating the access points or moving the lots over. We can undo and redo it later if we need to.

Mr. White: We have had extensive discussion with the Alabama Department of Transportation with regard to the location of those driveways.

Mr. Chason: I do not believe that you cannot relocate the access point and move the lots to the west.

Mr. White: Those locations are dictated by the Alabama Department of Transportation.

Ms. Barnette: Can you move the first access point over?

Mr. Coleman: You cannot move the access point more than six hundred feet from the intersection.

Ms. Barnette: That may be an issue.

Mr. Coleman: The only access to this site is the one shown in the middle.

Ms. Barnette: I would like to state for the record that the access point in the middle will be a problem at the time of the review of the site plan.

Mr. Chason: I know we can make a recommendation for the zoning amendment, but I am not sure about the approval of the subdivision.

Mayor Yelding: Mr. White, I do not think it would do you any good to move forward if you know this is going to be a problem.

Mr. John Payne: The applicant stated that they were going to put a pipe down the middle of the property.

Mrs. Lavada Palmer: The applicant said that he could construct a road in a residential zone without approval.

Chairman: In order to do either or these, the owner would have to submit the plans to the Planning Commission for review and approval. Is there anyone else? If there are no further comments, public participation is closed.

Ms. Jones: For the record, this site is designated in the Comprehensive Plan as commercial. A B-1 zone is primarily used for business and retail while a B-3 zone is for professional offices. The plan does comply with the Ordinance. The City Council may delay action on the zoning amendment or make changes and send it back to the Planning Commission for review.

Ms. Barnette: I do not have a problem with making a recommendation for either a B-1 or B-3 zone.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Mr. Chason: That is a lot of advertising of the zoning amendment.

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 for the affirmative recommendation by the Planning Commission to the City Council of Daphne the rezoning of a three-point four acre parcel located southwest of the intersection of County Road 13 and U. S. Highway 90 from an R-3, High Density Single Family, to a B-1, Local Business, zone for Blacksher White-Spunner, etal. (Reference: Highway 90 Business Park, Phase One). The Motion failed. Mr. Gibson dissented.

Five members voted in the affirmative and one dissented. Although the majority of those present voted in favor of the motion, a super majority would have been necessary for a favorable recommendation.

The next order of business is preliminary/final plat review for Highway 90 Business Park, Phase One.

PRELIMINARY/FINAL PLAT REVIEW:

File SDPF12-01:

Subdivision: Highway 90 Business Park, Phase One

Present Zoning: R-3, High Density Single Family Residential

Proposed Zoning: B-1, Local Business

Location: On the southwest side of County Road 13 and U. S. Highway 90

Area: 3.50 Acres  $\pm$ , (3) lots

Owner: B. White-Spunner, R. Tindell, Jr., Jay E., L.L.C., J. White-Spunner, M.M. Cummings, Estate of David R. Coley, S. Coley, M.A. Ball, K.C. Coats, and AIRP, L.L.C.

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 a three-point five-acre subdivision consisting of three lots located southwest of the intersection of County Road 13 and U.S. Highway 90. I will be happy to answer any questions you may have.

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

A Motion was made by Mr. Chason and **Seconded** by Ms. Barnette to ask the Director of Community Development to write a letter to the Alabama Department of Transportation regarding relocating the access points of the subdivision shown on U.S. Highway 90 to a new location. The Motion carried unanimously.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Mr. Chason: I think we need to ask the applicant to table action on the preliminary/final plat until such time we have a response from the Alabama Department of Transportation.

Ms. Barnette: We cannot ask the applicant if he would like to table the application. The applicant has to be the one to request that the application be tabled.

Mr. White: I would like to request that the application submitted for preliminary/final review be tabled until the next meeting.

Chairman: If we table it, will the time frame be within thirty days.

Ms. Dickson: The next meeting is on March 22, 2012.

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

A Motion was made by Ms. Barnette and **Seconded** by Mayor Yelding *to table the preliminary/final plat review for Highway 90 Business Park, Phase One until the next regular meeting of March 22, 2012. The Motion carried unanimously.*

The next order of business is under new business is site plan review for Fresh Market.

**NEW BUSINESS:**

**SITE PLAN REVIEW:**

**File S12-01:**

**Site:** Fresh Market, Jubilee Square Shopping Center

**Zoning(s):** B-2, General Business

**Location:** Northeast of the intersection of U. S. Highway 90 and U. S. Highway 98

**Area:** 0.39 Acres ±

**Owner:** Blackwater Resources, L.L.C. - Phillip McAfee

An introductory presentation was given by Mr. Phillip McAfee, Blackwater Resources, L.L.C., representing L.A. Daphne, L.L.C. requesting site plan review of a retail grocery facility located northeast of the intersection of U.S. Highway 90 and U.S. Highway 98. The present site plan applicant has chosen Daphne to be the fifth location of Fresh Market. The other stores are located in Mobile, Selma, Montgomery and Huntsville.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Mr. McAfee: We will be demolishing ten thousand square feet of the building behind Hobby Lobby and replacing it with the Fresh Market and one thousand three-hundred square feet of shop space for lease. The remainder of the area will be left and renovated. This is yet another step in the revitalization of the Jubilee Square Shopping Center. At the work session, we discussed the placement of the oil and grease separator, and the landscaping which will be placed in the rear of the facility for screening, and the submission as it is meets all of the requirements of the Ordinance with regard to storm water drainage. Also, I would like to point out that we are reducing the amount of impervious area by two thousand six hundred square feet. I would ask that the site plan be approved as it stands. I will be happy to answer any questions you may have.

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

Mayor Yelding: According the Public Works Director the plants indicated on the landscape plan would serve very well and will be more than enough to serve as a protection buffer.

Mr. Gibson: I am concerned about safety and protecting the site during construction. I see where the plan indicates that it will have silt fencing around the site, but it also needs to have construction fencing.

Mr. McAfee: I agree with you one hundred percent.

Mr. Chason: I still think that the site should be required to install an oil, gas, and grease separator.

Mr. McAfee: If you are going to require the installation of an oil and grease separator, I would like for it to be one approved by Mr. Johnson.

Chairman: I still cannot figure out why the baffles were removed from the storm water detention facility, but I do think that there will be enough oil, gas, or grease from this area of the site to require a separator. 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 Mr. Chason and *Seconded* by Ms. Barnette *to approve the site plan for Fresh Market, contingent to an oil or grease separator being installed.***

**An *Amended Motion* was made by Mr. Chason and *Seconded* by Ms. Barnette *to approve the site plan for Fresh Market, contingent to an oil or grease separator being installed to the satisfaction of the Public Works Director. The Motion carried unanimously.***

The next order of business is master plan review for Brookhaven Subdivision.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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BROOKHAVEN, PHASE TWO A:

MASTER PLAN:

File MPA12-01:

An introductory presentation was given by Mr. Joel Coleman, representing Rester & Coleman Engineers, requesting a master plan review for Brookhaven Subdivision.

Chairman: Do any of the Commissioners have any questions or comments? At the time of the submittal of the preliminary plat did you have a master plan? If so, what is the difference between this master plan and that one?

Mr. Coleman: When we originally submitted the preliminary plat, a master plan was not submitted. This master plan is the same as that preliminary plat. The only difference is that it reflects the phasing of subdivision, Phase Two A, Phase Two B, and Phase Three. I will be happy to answer any questions you may have.

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** Mr. Chason by *to approve the master plan for Brookhaven Subdivision. The Motion carried unanimously.*

The next order of business is an administrative presentation for Brookhaven Subdivision.

SUBDIVISION PRELIMINARY EXTENSION:

File SDPE12-01:

An introductory presentation was given by Mr. Joel Coleman, representing Rester & Coleman Engineers, requesting a one year extension of time from this date for the approval of the preliminary plat for Brookhaven Subdivision. The remaining two phases are Two B and Three. The preliminary plat was approved by the Planning Commission on May 27, 2010. I will be happy to answer any questions you may have.

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

Ms. Barnette: Ms. Jones, does this request comply with the criteria for an extension in our "New" Ordinance?

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

---

Ms. Jones: Actually, the request for the extension falls under the old ordinance because the preliminary was approved in May 2010.

Ms. Jones: It was approved prior to the adoption of the "New" Ordinance and does comply with the criteria in the "Old" Ordinance.

Mayor Yelding: Is a one year extension all that you are asking for?

Mr. Coleman: Can I get longer than that?

Ms. Jones: That is all that you asked for in your letter.

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 Mayor Yelding **to grant a one-year extension of the preliminary plat for Brookhaven Subdivision, Phase Two B and Phase 3. The Motion carried unanimously.**

The next order of business is final plat review and street acceptance for Brookhaven Subdivision, Phase Two A.

**FINAL PLAT REVIEW AND PETITION FOR STREET ACCEPTANCE:**

**File SDF12-01:**

**Subdivision:** Brookhaven, Phase Two A

**Present Zoning:** R-3, High Density Single Family Residential

**Location:** Northwest of the intersection of Whispering Pines Road and County Road 13

**Area:** 5.23 Acres ±, (14) lots

**Owner:** Feliciter Investment Group, L.L.C. - Nathan Cox

**Engineer:** Rester & Coleman Engineers - Joel Coleman

An introductory presentation was given by Mr. Joel Coleman, representing Rester & Coleman Engineers, requesting final plat review of a five-point twenty-three-acre subdivision consisting of fourteen lots located northwest of the intersection of Whispering Pines Road and County Road 13. There were two issues still pending. One was the presentation of the Belforest Water Authority letter and addressing one of the comments made by the Environmental Programs Manager. The Belforest letter has been presented. The comment that the Environmental Programs Manager has was regarding a hole located at the rear of the subdivision. The hole was the home of a future manhole for the next phase. It has been filled and covered until the time the next phase is developed. I will be happy to answer any questions you may have.

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

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

---

A Motion was made by Ms. Barnette and **Seconded** by Mr. Chason *to approve the final plat and for the affirmative recommendation by the Planning Commission to the City Council of Daphne for the acceptance of the streets in Brookhaven Subdivision, Phases Two A. The Motion carried unanimously.*

The next order of business is preliminary/final plat review for TimberCreek Subdivision, Phase Two.

PRELIMINARY/FINAL PLAT REVIEW:

File SDPF12-02:

Subdivision: TimberCreek Village, Phase Two (Lots 1, 1A and 1B of TimberCreek Village, Resubdivision of Lot 1 and TimberCreek Commercial, Resubdivision of Parcel "A" Unit Three, Resubdivision of Lot 3)

Present Zoning: *B-2, General Business*

Location: On the south side of U.S. Highway 31 and west of Alabama Highway 181  
Area: 8.88 Acres  $\pm$ , (3) lots  
Owner: Baldwin Al Development, L.L.C.  
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 eight-point eighty-eight-acre subdivision consisting of three lots located on the south side of U.S. Highway 31 and west of Alabama Highway 181. This is a resubdivision of all of the subdivision named listed on the application. Because the subdivision has been resubdivided so many times, in order to make it easier I renamed the new subdivision, TimberCreek Village Subdivision, Phase Two. We are re-subdividing the lots because the owner of Lot 3 located on the east side needs more width to accommodate the used that is proposing to purchase the lot. Also, based on the comments from the work session we have added the ingress and egress easement that exists on Lot 1 which connects to U.S. Highway 31. I will be happy to answer any questions you may have.

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

Ms. Barnette: Is the project subject to review by the architectural review board?

Mr. Coleman: Yes.

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Ms. Barnette: Do you know who the user will be?

Mr. Coleman: Yes, but the owner does not want to divulge that information at this time.

Ms. Jones: I can tell you later.

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

A Motion was made by Ms. Barnette and **Seconded** by Mr. Chason *to approve the preliminary/final plat for TimberCreek Village, Phase Two (Lots 1, 1A and 1B of TimberCreek Village, Resubdivision of Lot 1 and TimberCreek Commercial, Resubdivision of Parcel "A" Unit Three, Resubdivision of Lot 3). The Motion carried unanimously.*

The next order of business is subdivision replat review for the Redfern Replat for Charles Renfroe.

**SUBDIVISION REPLAT REVIEW:**

**File SRP12-07:**

**Subdivision:** Redfern Replat for Charles Renfroe

**Zoning(s):** *Unzoned, Baldwin County, in extraterritorial planning jurisdiction*

**Location:** Southwest of U.S. Highway 90 and Redfern Road

**Area:** 14.20 Acres ±

**Owner:** Charles A. Renfroe

**Engineer:** Preble-Rish - David Diehl

An introductory presentation was given by Mr. David Diehl, representing Preble-Rish, requesting subdivision replat of two parcels located southwest of U.S. Highway 90 and Redfern Road. It is simply a replat to move an interior lot line between the parcels and no other lots will be created. I will be happy to answer any questions you may have.

Chairman: 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 Mr. Chason and **Seconded** by Ms. Barnette *to approve an exempt replat review to move the common interior lot line of the Redfern Replat. The Motion carried unanimously.*

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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The next order of business is public participation.

**PUBLIC PARTICIPATION:**

Chairman: Is there anyone who would like to address the Planning Commission?

No public participation.

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

**ATTORNEY'S REPORT:**

Ms. Bussey: No report.

The next order of business is commissioner comments.

**COMMISSIONER'S COMMENTS:**

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

No comments.

The next order of business is director's comments.

**DIRECTOR'S COMMENTS:**

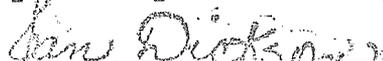
Ms. Jones: Next month Jade Consulting will be posting the Low Impact Development and Green Development questionnaires to begin conducting the survey. Next Monday, February 27, 2012 at 4:00 p.m. will be the Environmental Advisory Committee meeting. Next month I will be providing to you a copy of a Statement for Economic Interest Statement to be completed and returned to Community Development. I will be providing a paper copy and a link to the website.

**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.

*There being no further business, the meeting was adjourned at 6:46 p.m.*

*Respectfully submitted by:*

  
\_\_\_\_\_  
Jan Dickson, Planning Coordinator

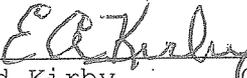
*\*Editorial correction on page 4 and 5*

THE CITY OF DAPHNE  
PLANNING COMMISSION MINUTES  
REGULAR MEETING OF FEBRUARY 23, 2012  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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APPROVED: March 22, 2012

  
\_\_\_\_\_  
Ed Kirby, Chairman



CITY OF DAPHNE  
PLANNING COMMISSION AGENDA  
REGULAR MEETING OF MARCH 22, 2012 REPORT  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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1. CALL TO ORDER    DATE OF REPORT: MARCH 28, 2012
2. CALL OF ROLL    ED KIRBY, DAN GIBSON, LARRY CHASON, CATHY BARNETTE,  
CHIEF WHITE, DON TERRY, VICTORIA PHELPS, JOE  
LEMOINE
3. APPROVAL OF MINUTES:    *Review of minutes for the regular meeting of February 23, 2012.*  
(APPROVED WITH REVISIONS TO PAGE 9)
4. OLD BUSINESS:

A.    PRELIMINARY/FINAL PLAT REVIEW:

1.    File SDPF12-01: (APPROVED, CONTINGENT UPON A NOTE BEING  
PLACED ON THE PLAT TO REFLECT THAT THE SIXTY-FIVE FEET  
WEST OF THE THREE-LOT SUBDIVISION NOT BE USED AS AN  
INGRESS AND EGRESS WITHOUT PLANNING COMMISSION  
APPROVAL)

Subdivision:                    Highway 90 Business Park, Phase One

*Present Zoning:                R-3, High Density Single Family Residential*

*Proposed Zoning:             B-1, Local Business*

Location:                    On the southwest side of County Road 13 and U. S. Highway 90

Area:                            3.50 Acres ±, (3) lots

Owner:                        B. White-Spunner, R. Tindell, Jr., Jay E., L.L.C., J. White-Spunner,  
M.M. Cummings, Estate of David R. Coley, S. Coley, M.A. Ball,  
K.C. Coats, and AIRP, L.L.C.

Engineer:                    Rester & Coleman Engineers - Joel Coleman

5.    NEW BUSINESS:

A.    SITE PLAN REVIEW:

1.    File S12-02: (APPROVED, CONTINGENT UPON PROVIDING A  
RECORDED COPY OF THE NON-EXCLUSIVE INGRESS AND EGRESS  
EASEMENT ACROSS LOT 16 BEING PROVIDED TO THE COMMUNITY  
DEVELOPMENT DIRECTOR, PROVIDING A COPY OF THE ADEM  
PERMIT/BMP PLAN TO THE ENVIRONMENTAL PROGRAMS  
MANAGER, AND THE STORM WATER DRAINAGE PLAN BEING  
APPROVED BY THE PUBLIC WORKS DIRECTOR, PRIOR TO THE  
ISSUANCE OF A SITE DISTURBANCE PERMIT)

CITY OF DAPHNE  
PLANNING COMMISSION AGENDA  
REGULAR MEETING OF MARCH 22, 2012 REPORT  
COUNCIL CHAMBERS, CITY HALL - 5:00 P.M.

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Site: TSS Properties - Daphne Mini Storage

Zoning(s): *C/I, Commercial/Industrial*

Location: Northwest of the intersection of Whispering Pines and Pollard Roads, northeast of the intersection of World Court and American Way

Area: 2.47 Acres  $\pm$

Owner: TSS Properties, L.L.C. - Lane Van Ingen

Engineer: Frank Dagley & Associates - Frank Dagley

**B. PRELIMINARY/FINAL PLAT REVIEW:**

**1. File SDPF12-03:**

Subdivision: Tallent Lane (APPROVED)

*Present Zoning: R-3, High Density Single Family Residential*

Location: Southeast of the intersection of Park Drive and Tallent Lane

Area: 27.85 Acres  $\pm$ , (2) lots

Owner: City of Daphne and Earth, Inc.

Engineer: Hutchinson, Moore & Rauch - Ercil Godwin

**C. ADMINISTRATIVE PRESENTATION:**

**1. SITE PLAN EXTENSION:**

**File SPE12-01: (APPROVED, TWO-YEAR EXTENSION SET TO EXPIRE ON MARCH 22, 2014)**

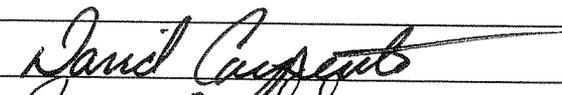
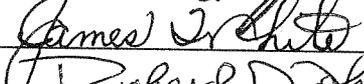
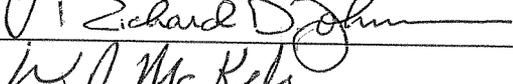
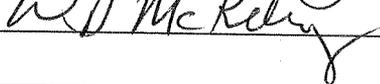
Presentation to be given by Ms. Adrienne Jones, Director of Community Development, requesting an extension of time for the approval of the site plan for Daphne Sports Complex. The site plan was approved by the Planning Commission on April 24, 2008.

6. PUBLIC PARTICIPATION
7. ATTORNEY'S REPORT
8. COMMISSIONER'S COMMENTS
9. DIRECTOR'S COMMENTS
10. ADJOURNMENT

**CITY COUNCIL MEETING  
MAYOR'S REPORT**

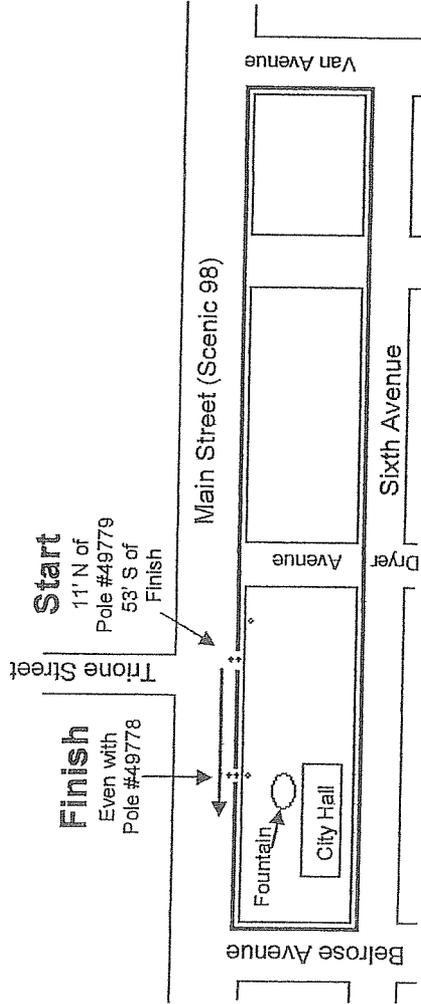
**NOTES:**

## CITY OF DAPHNE PARADE PERMIT

<b>ORGANIZATION:</b>	Christ the King Catholic School
<b>CONTACT PERSON:</b>	Barbara Collinsworth
<b>ADDRESS:</b>	1503 Main St. Daphne Al
<b>PHONE NUMBER (HOME):</b> <b>PHONE NUMBER (BUSINESS):</b> <b>CELL NUMBER:</b> <b>E-MAIL ADDRESS:</b>	251- 626 - 1692 coach@ctheking.org
<b>TYPE OF PARADE:</b>	1 Mile Fun Run
<b>DATE OF PARADE:</b>	April 27 2012
<b>ROUTE TO BE TRAVELED:</b>	See Attached Map
<b>APPROXIMATE # OF PEOPLE &amp; CARS:</b>	500
<b>START TIME:</b>	9:00 A.M.
<b>STOP TIME:</b>	9:30 A.M.
<b>ASSEMBLY AREA/STREET:</b>	Main Street by East Shore Cafe
<b>ASSEMBLY TIME:</b>	9:00 A.M.
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE APPLIED:</b>	March 13 2012
<b>APPROVAL</b>	
<b>POLICE:</b> Chief David Carpenter	
<b>FIRE:</b> Chief James White	
<b>PUBLIC WORKS:</b> Richard Johnson	
<b>RECREATION:</b> David McKelroy	
<b>CITY COUNCIL APPROVAL:</b> 4-2-12	
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE ROUTED:</b>	March 13, 2012
<b>NOTIFICATION</b>	

# SEEDS 1 Mile II

Daphne, Alabama



## No Diagrams to Scale

Splits: Marked with green paint.  
Locations are given explicitly on map.

Start and Finish marked with  
green paint

Measured by Jon Bowie (Daphne, AL 251-209-0887)  
jnbowie@gmail.com  
17 January 2010  
Calibrated on AL08007JD  
Race contact: Denise D'Oliveira (251-605-8777)

## CITY OF DAPHNE PARADE PERMIT

<b>ORGANIZATION:</b>	<i>Lupus Foundation</i>
<b>CONTACT PERSON:</b>	<i>Lucy King</i>
<b>ADDRESS:</b>	<i>11351 Halcyon Loop Daphne, AL 36526</i>
<b>PHONE NUMBER (HOME):</b>	<i>621-1423</i>
<b>PHONE NUMBER (BUSINESS):</b>	
<b>CELL NUMBER:</b>	<i>753-7989</i>
<b>E-MAIL ADDRESS:</b>	<i>shira_lavonta@yahoo.com</i>
<b>TYPE OF PARADE:</b>	<i>Fund Raiser</i>
<b>DATE OF PARADE:</b>	<i>March 16, 2013</i>
<b>ROUTE TO BE TRAVELED:</b>	<i>See Attached Map</i>
<b>APPROXIMATE # OF PEOPLE &amp; CARS:</b>	<i>25-50</i>
<b>START TIME:</b>	<i>8:00 A.M.</i>
<b>STOP TIME:</b>	<i>12:00 Noon</i>
<b>ASSEMBLY AREA/STREET:</b>	<i>City Hall</i>
<b>ASSEMBLY TIME:</b>	<i>7:30 A.M.</i>
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE APPLIED:</b>	<i>March 20, 2012</i>
<b>APPROVAL</b>	
<b>POLICE:</b> Chief David Carpenter	<i>David Carpenter</i>
<b>FIRE:</b> Chief James White	<i>James White</i>
<b>PUBLIC WORKS:</b> Richard Johnson	<i>Richard Johnson</i>
<b>RECREATION :</b> David McKelroy	<i>David McKelroy</i>
<b>CITY COUNCIL APPROVAL:</b> 4-2-12	
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE ROUTED:</b>	<i>March 21, 2012</i>
<b>NOTIFICATION</b>	

Daphne, Alabama

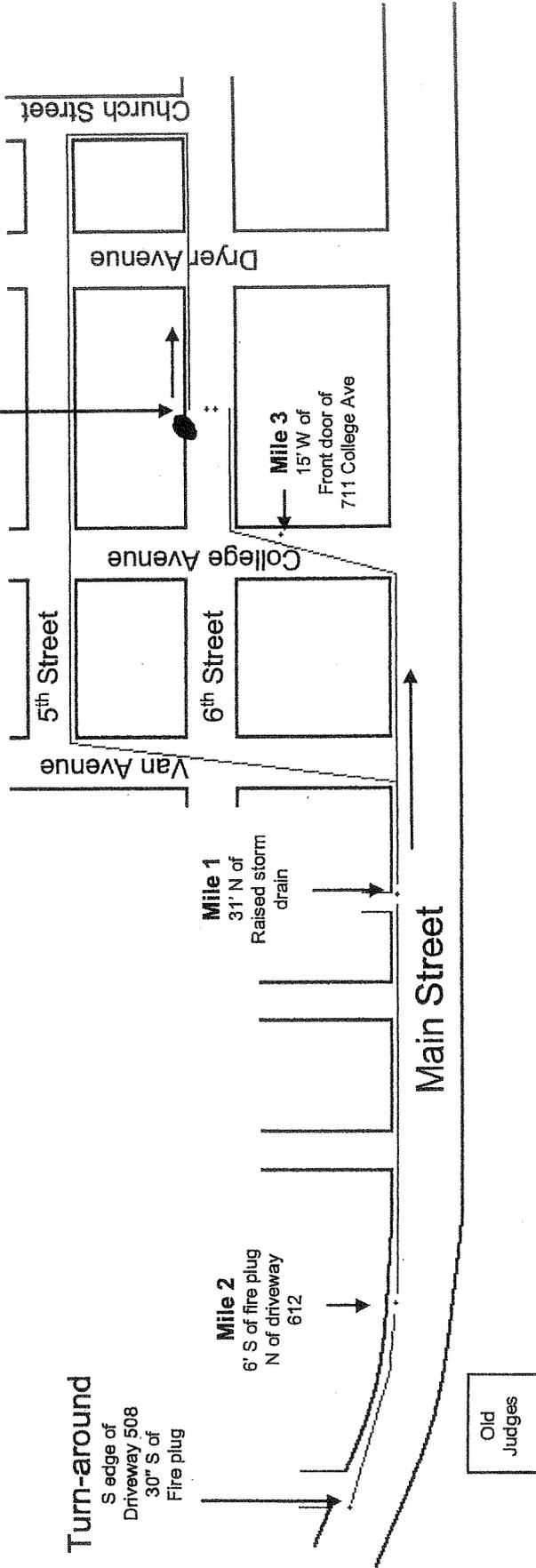


No Diagrams to Scale  
Start/Finish and Turn-around  
marked with washer green  
paint

Splits: Marked with washers and green paint.  
Locations are given explicitly on map.



Start/Finish  
Even with Pole 49389  
3' N of Pole 49384



Measured by Jon Bowie (Daphne, AL 251-209-0887)  
jnbowie@gmail.com  
14 August 2010  
Calibrated on AL08007JD  
Race contact: Flor Fellers 251-928-4248

**CITY OF DAPHNE  
PARADE PERMIT**

<b>ORGANIZATION:</b>	<i>Christ the King Respect for Life Committee</i>
<b>CONTACT PERSON:</b>	<i>Kathy White</i>
<b>ADDRESS:</b>	<i>Main Street Daphne</i>
<b>PHONE NUMBER (HOME):</b> <b>PHONE NUMBER (BUSINESS):</b> <b>CELL NUMBER:</b> <b>E-MAIL ADDRESS:</b>	<i>625-4554      buildthewhiteway@hotmail.com</i>
<b>TYPE OF PARADE:</b>	<i>Annual Life Walk Pilgrimage</i>
<b>DATE OF PARADE:</b>	<i>April 28, 2012</i>
<b>ROUTE TO BE TRAVELED:</b>	<i>From Christ the King to the Shrine of the Holy Cross / Using Sidewalk</i>
<b>APPROXIMATE # OF PEOPLE &amp; CARS:</b>	<i>50-75</i>
<b>START TIME:</b>	<i>8:30 A.M.</i>
<b>STOP TIME:</b>	<i>9:30 A.M.</i>
<b>ASSEMBLY AREA/STREET:</b>	<i>Christ the King</i>
<b>ASSEMBLY TIME:</b>	<i>8:30 A.M.</i>
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE APPLIED:</b>	<i>March 26, 2012</i>
<b>APPROVAL</b>	
<b>POLICE:</b> Chief David Carpenter	<i>David Carpenter</i>
<b>FIRE:</b> Chief James White	<i>James White</i>
<b>PUBLIC WORKS:</b> Richard Johnson	<i>Richard Johnson</i>
<b>RECREATION :</b> David McKelroy	<i>David McKelroy</i>
<b>CITY COUNCIL APPROVAL:</b> <i>H-2-12</i>	
<b>SPECIAL INSTRUCTIONS:</b>	
<b>DATE ROUTED:</b>	<i>March 28, 2012</i>
<b>NOTIFICATION</b>	

**CITY ATTORNEY'S REPORT**

**NOTES:**

**DEPARTMENT HEAD'S COMMENTS**

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

**NOTES:**

RECOMMENDATIONS

**COUNCIL COMMENTS:**

**CITY OF DAPHNE**

**RESOLUTION 2012-28**

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF THE CITY  
COUNCIL OF THE CITY OF DAPHNE, ALABAMA HELD ON [APRIL 2, 2012]**

The City Council of the City of Daphne, Alabama met at the City Hall in the City of Daphne on Monday, [April 2, 2012] at 6:30 p.m., Central Time. The following members of the City Council of the City of Daphne, Alabama were:

PRESENT

ABSENT

Ms. Barnette 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 \_\_\_\_\_:

CITY OF DAPHNE

RESOLUTION 2012-28

A RESOLUTION CALLING FOR THE REDEMPTION OF THE CITY'S  
GENERAL OBLIGATION WARRANTS, SERIES 2002 AND THE REDEMPTION OF  
THE CITY'S LIMITED OBLIGATION SPECIAL TAX WARRANTS, SERIES 2006

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 19, 2002, (the "2002 Ordinance"), its City of Daphne General Obligation Warrants, Series 2002, dated August 1, 2002, originally issued in the aggregate principal amount of \$2,660,000 (the "Series 2002 Warrants").
- (b) The City has heretofore issued pursuant to an Ordinance adopted by the Council on September 5, 2006, (the "2006 Ordinance"), its City of Daphne Limited Obligation Special Tax Warrants, Series 2006, dated August 1, 2006, originally issued in the aggregate principal amount of \$9,090,000 (the "Series 2006 Warrants").
- (c) The Series 2002 Warrants are currently outstanding in the aggregate principal amount of \$2,110,000.
- (d) The Series 2006 Warrants are currently outstanding in the aggregate principal amount of \$8,755,000.
- (e) The City desires to refund all of the outstanding Series 2002 Warrants and Series 2006 Warrants.
- (f) The City is not in default in the payment of principal of or interest on the Series 2002 Warrants or the Series 2006 Warrants or under the 2002 Ordinance or the 2006 Ordinance.

**Section 2. Call for Redemption of the Series 2002 Warrants.** Acting pursuant to the provisions of the Series 2002 Warrants and the 2002 Ordinance, the City does hereby elect to redeem and pay, and does hereby call for redemption and payment on May \_\_\_\_, 2012 (the "2002 Call Date") \$2,110,000 in aggregate principal amount of the Series 2002 Warrants (being all of the Series 2002 Warrants currently outstanding), the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2002 Warrant so called for redemption plus accrued interest thereon to the 2002 Call Date. Such redemption and payment shall be subject to the condition that the City shall have issued its General Obligation Refunding and Improvement Warrants, Series 2012.

**Section 3. Call for Redemption of the Series 2006 Warrants.** Acting pursuant to the provisions of the Series 2006 Warrants and the 2006 Ordinance the City does hereby elect to redeem and pay, and does hereby call for redemption and payment:

(a) as required by Section 6 of the 2006 Ordinance, on August 1, 2012, \$130,000 in aggregate principal amount of the Series 2006 Warrants, the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2006 Warrant so called for redemption plus accrued interest thereon to the date of redemption.

(b) on February 1, 2013 (the "2006 Call Date") \$8,625,000 in aggregate principal amount of the Series 2006 Warrants (being all of the Series 2006 Warrants maturing after the 2006 Call Date), the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2006 Warrant so called for redemption plus accrued interest thereon to the 2006 Call Date.

**Section 4. Provisions for Notice for the Series 2002 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 2002 Warrants, to cause written notice of such redemption and prepayment to be given in the manner and at the time prescribed in the 2002 Ordinance.

**Section 5. Provisions for Notice for the Series 2006 Warrants.** The Treasurer of the City is hereby directed, in her capacity as paying agent for the Series 2006 Warrants, to cause written notice of such redemption and prepayment to be given in the manner and at the time prescribed in the 2006 Ordinance.

**Section 6. 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 2002 Ordinance under which the Series 2002 Warrants were issued and all of the actions required by the provisions of the 2006 Ordinance under which the Series 2006 Warrants were issued to be taken in order to effect the redemption of the Series 2002 Warrants and the Series 2006 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 and Improvement Warrants, Series 2012, for the purpose of refunding certain of the City's outstanding general obligation indebtedness, paying a portion of the cost of certain road and bridge improvements and paying the expenses of issuing the City's General Obligation Refunding and Improvement Warrants, Series 2012. The following ordinance was thereupon introduced in writing by Councilmember \_\_\_\_\_:

**CITY OF DAPHNE  
ORDINANCE 2012-21**

**AN ORDINANCE ADOPTING THE RULES OF PROCEDURE IN ALL  
INSTANCES FOR MEETINGS OF THE CITY COUNCIL**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA** that the Order Procedure in All Instances for Meetings of the City Council shall be as follows:

**SECTION I:**

That the Rules of Procedure herein contained shall govern the deliberations and meetings of all of the Council of the City of Daphne, Alabama.

**SECTION II:**

That the regular meetings of the City Council shall be held on the first and third Mondays of each month, which meeting shall convene at 6:30 p.m. at the City Hall Council Chamber and all meetings, regular and special, shall be opened to the public, except when Council meets in executive session as authorized by State law. The regularly scheduled work session will be held on the Monday between the first and second council meeting at 6:30 p.m. at the City Hall Council Chambers. Items for the agenda must be turned in by 5:00 p.m. on the Wednesday before the work session.

**SECTION III:**

That special meetings may be held at the call of the presiding officer by serving notice on each member of the Council not less than twenty-four hours before the time set for such special called meeting. All special meetings may be held as provided by Section 11-43-50 Code of Alabama, 1975 (as amended). Furthermore, any two (2) Council members shall have the right to call for a special meeting. Notice of all special meetings shall be posted on a bulletin board and appropriate customary media notified, and is accessible to the public twenty-four hours prior to such scheduled meeting.

**SECTION IV:**

A Quorum shall be determined as provided by Section 11-43-40, Code of Alabama, 1975, (as amended).

**SECTION V:**

That the order of business of each council meeting shall be as follows:

1. Call to Order
2. Roll Call/Invocation/Pledge of Allegiance
3. Approval of the Minutes of the Previous Meeting(s)
4. Reports of Standing Committees:
  - Finance Committee
  - Building/Property Committee
  - Planning/Zoning Code Enforcement Committee
  - Public Safety/Ordinance Committee
  - Public Works/Solid Waste Committee
5. Reports of Special Boards and Commissions
  - Board of Zoning Adjustment
  - Downtown Redevelopment Authority
  - Industrial Development Board
  - Library Board
  - Planning Commission
  - Recreation Board
  - Utility Board
6. Report of Officers:
  - a. Mayors Report
  - b. City Attorney Report
  - c. Department Heads Report
7. Public Participation
8. Resolution Ordinances and Other Business
9. Council Comments
10. Adjournment

**SECTION VI:**

That any item including all background material to be placed on agenda must be turned in by 5:00 p.m. on the Wednesday before the council meeting to the City Clerk subject to the review of the Council President. The council packet will be sent to the full City Council by 12:00 p.m. Friday before the City Council Meeting.

**SECTION VII:**

That no member shall speak more than twice on the same subject without permission of the presiding officer, and after all other council members have had the opportunity to speak.

**SECTION VIII:**

That no individual who is not a member of the City Council or the Mayor shall be allowed to address the same while in session without permission of the presiding officer and for not more than three (3) minutes, unless approved by the presiding officer. No person shall be allowed to address the Council on any matter which shall be the subject of a public hearing scheduled by the Council until the meeting under which the public hearing on that matter is scheduled to be heard. An individual wishing to speak to the council will permission of the Council President will be allowed 5 minutes. The individual must provide in writing a synopsis of the topic to be discussed. This synopsis is to be delivered to the City Clerk by the Wednesday before the council meeting at 5:00 p.m.

**SECTION IX:**

That those motions to reconsider must be made by a council member who voted with the majority at the same or next succeeding meeting of the Council.

**SECTION X:**

That whenever it shall be required by one or more members the "ayes" and the "nays" shall be recorded and any member may call for a division on any question.

**SECTION XI:**

That all questions of order shall be decided by the presiding officer of the Council with the right of appeal to the Council.

Ordinance

**SECTION XII:**

That the presiding officer of the Council may, at his or her discretion, call any members to take the chair to allow him or her to address the Council or make a motion or discuss any other matter at issue.

**SECTION XIII:**

That motions to lay any matter on the table shall be first in order, and on all questions, the last amendment, the most distant day, and the largest sum shall be first put.

**SECTION XVI:**

That Council may meet in executive session only for purposes authorized by State law. When a council person makes a motion for executive session for an enumerated purpose, the presiding officer shall put the motion to vote. If the majority of the council shall vote in favor of the Motion for executive session the body shall then move into executive session for discussion of the matter for which executive session was called. No action may be taken in an executive session. When the discussion has been completed, the council shall resume its deliberations in public.

**SECTION XV:**

That a motion for adjournment shall always be in order.

**SECTION XVI:**

That the rules of the Council may be amended in the same manner as any other ordinance of general or permanent nature.

**SECTION XVII:**

That the rules of the Council may be temporarily suspended by unanimous vote of all members present.

**SECTION XVIII:**

That the chair of each respective committee, or the council member acting for him or her, shall submit and make report to the Council when so requested by the presiding officer or any member of the Council.

Ordinance

**SECTION XIX:**

That all ordinances, resolutions or propositions submitted to Council which require the expenditure of money will lie over until the next Council meeting; provided that such ordinance, resolution or propositions may be considered earlier by unanimous consent of the Council members present at such meeting by roll call vote and provided further that this rule shall not apply to the current expenses of, or contracts previously made with, or regular salaries of officers, or wages of employees of the City.

**SECTION XX:**

That all motions, resolutions, ordinances or other business required to be in writing shall be prepared and supplied to all Council members by twelve noon one full city work day before the Council meeting in which it is to be presented. (e.g. if City offices are not open, the Friday before the Monday council meeting, then the writings and documentation shall be supplied to each city council member by placing same in each member's mailbox at City Hall by noon Thursday.)

- a. It is desired that information be supplied to the City Clerk in time to be made part of the agenda packet.
- b. When a work session is called or scheduled between two council meetings, all motions, resolutions, ordinances or other business required to be in writing shall be presented in substantially the same form as that which is required for presentation at council meeting.
- c. Notwithstanding Sections a. and b., hereinabove, in the situation of an actual emergency sections a. and b., hereinabove, shall not apply. For purposes herein an actual emergency exist from failure to act will result in an immediate and irrefutable harm to the City or any of its citizens and or otherwise it was physically impossible to comply with notice requirements set forth herein as the same may be determined by the presiding officer of the Council.

**SECTION XXI:**

That the City Clerk, City Engineer, City Attorney, Chief of Police and Fire Chief and such other officers and employees shall, when requested, attend all meetings of the City Council, and shall otherwise remain in the Council Chamber for such length of time as the Council, presiding officer or Mayor may direct.

**SECTION XXII:**

That the City Council may have the ability to have a discussion on any motion.

**SECTION XXIII:**

That Roberts' Rules of Order be and is hereby adopted as the rules of procedure for this Council in those situations which cannot be resolved by the rules set forth in this Ordinance.

**SECTION XXIV:**

The City Council will set all public hearings by a majority vote. At all public hearings after the initial presentation all questions and comments are limited to three (3) minutes per speaker.

**SECTION XXV:**

All motions that come from committees must still be seconded.

**SECTION XXVI:**

That Ordinance 2009-21 be and is hereby repealed in its entirety and that other ordinance(s), parts of ordinance(s) or resolutions(s) conflicting with the provisions of this Ordinance are hereby repealed insofar as they conflict.

**SECTION XXVII:**

That the provisions of this Ordinance are severable. If any provision, section, paragraph, sentence are part thereof shall be held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not effect or impair the remainder of this Ordinance, it being the legislative intent to ordain and act each provision section, paragraph, sentence, and part thereof separately and independently of each other.

**SECTION XXVIII:**

This Ordinance shall take effect and be enforced from and after approval by the City Council of the City of Daphne upon publication required by law.

**ADOPTED AND APPROVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA on this the \_\_\_\_ day of \_\_\_\_\_, 2012.**

**CITY OF DAPHNE, AN ALABAMA MUNICIPAL CORPORATION**

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**CATHY S. BARNETTE  
COUNCIL PRESIDENT**

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**BAILEY YELDING, JR.,  
MAYOR**

**ATTEST:**

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

**ORDINANCE 2012 - 22**

**City Hall Roof Repairs Appropriation**

**WHEREAS**, Ordinance 2011-81 approved and adopted the Fiscal Year 2012 Budget on November 21, 2011; and

**WHEREAS**, subsequent to the adoption of the Fiscal Year 2012 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2012 budget; and

**WHEREAS**, the Building Maintenance department has been monitoring the roof condition in the old section of the City Hall building, and

**WHEREAS**, certain improvements and repairs are needed at the City Hall to maintain and protect the existing roof structure and building.

**WHEREAS**, repair estimates have shown that plans are needed for this project to be bid, and

**NOW, THEREFORE**, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that funds in the amount of \$1,500 from the General Fund are hereby appropriated and made a part of the Fiscal Year 2012 budget to prepare plans for the repair and maintenance of the City Hall Roof.

**APPROVED AND ADOPTED** by the Mayor and City Council of the City of Daphne, Alabama, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Cathy S. Barnette, Council President**

\_\_\_\_\_  
**Bailey Yelding, Jr., Mayor**

**ATTEST:**

\_\_\_\_\_  
David L. Cohen, City Clerk MMC

**ORDINANCE 2012-23**

**Civic Center Kitchen Hood Fire Suppression System Appropriation**

**WHEREAS**, Ordinance 2011-81 approved and adopted the Fiscal Year 2012 Budget on November 21, 2011; and

**WHEREAS**, subsequent to the adoption of the Fiscal Year 2012 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2012 budget; and

**WHEREAS**, the Civic Center's current Kitchen Hood Fire Suppression System is outdated and the unit has been recalled;

**WHEREAS**, the Civic Center was notified that if the unit was not replaced before the next inspection time this part of the kitchen would be shut down.

**NOW, THEREFORE**, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that funds in the amount of \$2,859 from the General Fund are hereby appropriated and made a part of the Fiscal Year 2012 budget for a new Kitchen Hood Fire Suppression System for the Civic Center.

**APPROVED AND ADOPTED** by the Mayor and City Council of the City of Daphne, Alabama, this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Cathy S. Barnette, Council President**

\_\_\_\_\_  
**Bailey Yelding, Jr., Mayor**

**ATTEST:**

\_\_\_\_\_  
David L. Cohen, City Clerk, MMC

**ORDINANCE 2012 -24**

**Legislative Phone/Internet Budget Appropriation**

**WHEREAS**, Ordinance 2011-81 approved and adopted the Fiscal Year 2012 Budget on November 21, 2011; and

**WHEREAS**, subsequent to the adoption of the Fiscal Year 2012 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2012 budget; and

**WHEREAS**, the adopted budget does not include an appropriation for additional internet connection through Mediacom for the City Clerk’s office; and

**WHEREAS**, additional internet band width was required for the City Clerk to upload the Council packet to the City’s website and to e-mail the packet out.

**NOW, THEREFORE**, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that funds in the amount of \$1,000 from the General Fund are hereby appropriated and made a part of the Fiscal Year 2012 budget for additional internet services from Mediacom for the City Clerk’s office.

**APPROVED AND ADOPTED** by the Mayor and City Council of the City of Daphne, Alabama, this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Cathy S. Barnette, Council President**

\_\_\_\_\_  
**Bailey Yelding, Jr., Mayor**

**ATTEST:**

\_\_\_\_\_  
David L. Cohen, City Clerk, MMC

**ORDINANCE 2012 - 25**

**Youth Spring Soccer Program Appropriation**

**WHEREAS**, Ordinance 2011-81 approved and adopted the Fiscal Year 2012 Budget on November 21, 2011; and

**WHEREAS**, subsequent to the adoption of the Fiscal Year 2012 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2012 budget; and

**WHEREAS**, the adopted budget does not include an appropriation for the Youth Spring Soccer Program; and

**WHEREAS**, the Recreation Department provides several athletic programs for the community and the interest in a Spring Soccer program has increased; and

**WHEREAS**, the number of participants currently signed up for the Spring Soccer Program is 236 and fees will be collected from these participants to later offset the cost.

**NOW, THEREFORE**, BE IT ORDAINED by the City Council of the City of Daphne, Alabama, that funds in the amount of \$9,750 from the General Fund are hereby appropriated and made a part of the Fiscal Year 2012 budget to fund the Spring Soccer Program.

**APPROVED AND ADOPTED** by the Mayor and City Council of the City of Daphne, Alabama, this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Cathy S. Barnette, Council President**

\_\_\_\_\_  
**Bailey Yelding, Jr. , Mayor**

**ATTEST:**

\_\_\_\_\_  
David L. Cohen, City Clerk, MMC

ORDINANCE NO. 2012- 26

AN ORDINANCE AUTHORIZING THE ISSUANCE OF  
§ \_\_\_\_\_ OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT  
WARRANTS  
SERIES 2012

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.

“**Capital Improvements**” shall have the meaning given that term in Section 1.3(f) hereof, subject to being amended and supplemented as provided in Section 7.3 hereof.

“**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 Trustee”** means The Bank of New York Mellon Trust Company, N.A., as escrow trustee for the Series 2002 Warrants under the terms of the 2002 Escrow Trust Agreement and as escrow trustee for the Series 2006 Warrants under the terms of the 2006 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 February 1 or August 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 January 15 or July 15 immediately preceding such Interest Payment Date.

**“Securities Depository”** has the meaning given that term in Section 3.5 hereof.

**“Series 2002 Warrants”** means the City’s General Obligation Warrants, Series 2002, dated August 1, 2002, originally issued in the aggregate principal amount of \$2,660,000.

**“Series 2006 Warrants”** means the City’s Limited Obligation Special Tax Warrants, dated August 1, 2006, originally issued in the aggregate principal amount of \$9,090,000.

**“Treasurer”** shall mean the treasurer or any assistant 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 and Improvement Warrants, Series 2012, as more particularly described in Article II hereof and issued hereunder.

**“2002 Escrow Trust Agreement”** means the Escrow Trust Agreement – 2002 Warrants, dated as of April 1, 2012, between the City and The Bank of New York Mellon Trust Company, N.A., as Escrow Trustee.

“2006 Escrow Trust Agreement” means the Escrow Trust Agreement – 2006 Warrants, dated as of April 1, 2012, between the City and The Bank of New York Mellon Trust Company, N.A., as Escrow Trustee.

**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 the Series 2002 Warrants pursuant to an Ordinance adopted by the Council on August 19, 2002, (the “2002 Ordinance”).
- (b) The City has heretofore issued the Series 2006 Warrants pursuant to an Ordinance adopted by the Council on September 5, 2006, (the “2006 Ordinance”).
- (c) The City is not in default on the payment of the principal of and the interest on the Series 2002 Warrants or the Series 2006 Warrants.
- (d) By a resolution previously adopted, the City has called all of the outstanding Series 2002 Warrants coming due after February 1, 2012 for redemption.
- (e) By a resolution previously adopted, the City has called all of the outstanding Series 2006 Warrants coming due after February 1, 2013 for redemption.
- (f) It is necessary, advisable and in the public interest that the City pay a portion of the costs of the acquisition, construction and installation of certain road and bridge improvements within the City (the “Capital Improvements”), which acquisition, construction and installation are expected cost approximately \$3,000,000 and which shall include the following:

Project 2012-B - Main Street - Holy Cross to Bayfront (18,247 L.F. - 3.45 miles) - Mill and Overlay (1500 L.F. Base Repairs)

Project 2012-C - Well Road Extension - Public Works Road to CR13

(1,400 L.F. - 0.265 miles) - New Road & Drainage

Proposed Project 2012-D: Profit Drive Extension - Profit Drive to Johnson Road

Proposed Project 2012-E: Johnson Road Extension to County Road 13 - Bottom Crossing with Bridge

Proposed Project 2013-A: Intersection of CR13 and Cr 64 - Round-A-Bout

Proposed Project 2013-B: Lake Forest - 1.1 Miles (Ridgewood Drive - North Route connecting 2a & 2b) & 0.1 Miles of Bay View Drive (1a to the bridge) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping

Proposed Project 2013-C: Johnson Road Extension - County Road 13 to State Road 181

Proposed Project 2013-D: Lake Forest - 2.1 Miles (Bayview & Ridgewood Drives - South Route connecting 2a & 2b) Project includes base repairs, drainage, asphalt resurfacing, concrete valley gutter, median curbing & landscaping

Proposed Project 2013-E: Lake Forest - Bridge Replacement on Bayview at Lake Forest Lake - Severely Limited Bridge

Proposed Project: Resurfacing of Pinehill Road - 7th Street to south of Roper Ln

Proposed Project: Resurfacing of Douglas Road - US Hwy 90 to End of Pavement

- (g) Pursuant to the Warrant Authorizing Law the City is authorized to issue its warrants, in order to refund outstanding indebtedness of the City and to finance the Capital Improvements.
- (h) It is necessary, advisable and in the interest of the public that the City issue its General Obligation Refunding and Improvement Warrants, Series 2012 to refund the Series 2002 Warrants and the Series 2006 Warrants, to pay costs of the Capital Improvements 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 purposes of refunding all of the Series 2002 Warrants and Series 2006 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 and Improvement Warrants, Series 2012.

**Section 2.2 Description of the Warrants.** The Warrants shall be issued only in fully registered form, without coupons, shall be dated as of April 1, 2012, 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 August 1, 2012 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 February 1 and August 1 until payment of the principal amount thereof, beginning August 1, 2012 and, subject to the redemption provisions hereinafter set forth, shall mature on February 1 in the years and amounts as follows:

<u>Year of</u> <u>Maturity</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>
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**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 manual or facsimile signature of the Treasurer of the City. 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. Anything herein to the contrary notwithstanding, any assistant city clerk shall be empowered to

execute any Warrant in the absence or unavailability of the City Clerk and any assistant treasurer of the City shall be empowered to execute any Warrant in the absence or unavailability of the Treasurer.

**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.

(Form of Series 2012 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 AND IMPROVEMENT WARRANT  
SERIES 2012

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 August 1, 2012, 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 February 1 and August 1 in each year, beginning August 1, 2012 (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 and Improvement Warrants, Series 2012" (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 Warrants maturing on February 1, \_\_\_\_\_ will be subject to mandatory redemption prior to maturity (the particular 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>February 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
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The Warrants, maturing on or after February 1, \_\_\_\_\_ are subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, \_\_\_\_\_, and on any date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the 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 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 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.]

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 \_\_\_\_\_.

CITY OF DAPHNE, ALABAMA

(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 Warrants having a stated maturity on February 1, \_\_\_\_\_, will be subject to mandatory redemption prior to maturity (the particular 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):]

February 1	Principal
<u>of the Year</u>	<u>Amount</u>

**Section 5.2 Optional Redemption.** [The Warrants, maturing on or after February 1, \_\_\_\_\_ are subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, \_\_\_\_, and on any date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the 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 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 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) Extraordinary Expenses. 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.
- (iii) The amount of \$ \_\_\_\_\_ shall be paid to the Escrow Agent and deposited into the 2002 Escrow Fund created under the Escrow Trust Agreement to provide for the refunding of the Series 2002 Warrants.
- (iv) The amount of \$ \_\_\_\_\_ shall be paid to the Escrow Agent and deposited into the 2006 Escrow Fund created under the Escrow Trust Agreement to provide for the refunding of the Series 2006 Warrants.
- (v) The remaining amount of proceeds shall be deposited with \_\_\_\_\_, as depository, in the Capital Improvements Account and applied for the purposes described in Section 8.2.

ARTICLE VIII  
CREATION OF ISSUANCE EXPENSE FUND,  
CAPITAL IMPROVEMENT ACCOUNT AND WARRANT FUND;  
COVENANTS WITH RESPECT TO WARRANT PROCEEDS

**Section 8.1 Issuance Expense Account.** There is hereby created a special fund of the City designated the "Series 2012 Warrant Issuance Expense Account" (herein called the "Issuance Expense Account") 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. \_\_\_\_\_ shall be the depository for the Issuance Expense Account.

Simultaneously with the issuance and delivery of the Warrants, the City shall deposit or cause to be deposited into the Issuance Expense Account, 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 Account solely for payment of the expenses of issuing the Warrants, as and when such expenses become due and payable.

The Mayor, the Finance Director or any other person designated in writing by the Mayor or the Finance Director, 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 Account 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 Account after the City certifies that all issuance expenses have been paid in full, but in no event later than sixty days after the date of delivery of the Warrants, shall be transferred and deposited into the Capital Improvements Account.

**Section 8.2 Capital Improvements Account.** There is hereby created a special account the full name of which shall be the "2012 Capital Improvements Account." The 2012 Capital Improvements Account shall be maintained as a separate account until the moneys in said account shall have been fully expended as hereinafter provided. Except as hereinafter provided, the City will apply the moneys in the 2012 Capital Improvements Account solely for payment of the costs of the Capital Improvements described in Section 1.3(f) hereof. \_\_\_\_\_ shall be the depository for the 2011 Capital Improvements Account.

The Mayor, the Finance Director or any other person designated in writing by the Mayor or the Finance Director, are hereby authorized and directed to make withdrawals from the 2012 Capital Improvements Account for the purpose of paying the costs of the Capital Improvements described in Section 1.3(f) hereof, and to make any transfer that may be made pursuant to the succeeding sentence of this Section. The City shall have the right to supplement or revise the list of Capital Improvements described in Section 1.3(f) hereof to be paid from proceeds of the Warrants by resolution or ordinance; provided, that no revisions or addition to the Capital Improvements as herein

approved shall adversely affect the excludability of interest on the Warrant for federal income tax purposes.

**Section 8.3 Warrant Fund.** There is hereby created a special account, the full name of which shall be the "City of Daphne Warrant Fund, 2012." 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 8.4 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 and the Capital Improvements 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 8.5 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) or under the State of Alabama Security for Alabama Funds Enhancement Program, 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 8.6 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) It will comply with the terms of the City's Tax Certificate and Agreement with regard to use of proceeds of the Warrants 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 Agreements.** 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 2002 Escrow Trust Agreement and the 2006 Escrow Trust Agreement, each 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 2002 Escrow Trust Agreement and the 2006 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 \$ \_\_\_\_\_, plus accrued interest from \_\_\_\_\_ 1, 2012 to the date of delivery, and (ii) the execution of the Purchase Agreement dated \_\_\_\_\_, 2012 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.

MM

\* \* \* \* \*

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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

46

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 the minutes of a regular meeting of the City Council of Daphne, Alabama, held on [April 2], 2012, pertaining to the City's General Obligation Refunding and Improvement Warrants, Series 2012, 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 April, 2012.

[SEAL]

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City Clerk of the  
City of Daphne, Alabama

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 16, 2012

**NEW ISSUE**

Ratings: Standard & Poor's: AA  
(See "RATING" 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 2012 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 2012 Warrants. Bond Counsel is of the further opinion that the interest income on the Series 2012 Warrants is, under existing statutes and regulations, exempt from Alabama income taxation.*

§ \_\_\_\_\_ \*

**CITY OF DAPHNE, ALABAMA**  
**General Obligation Refunding and Improvement Warrants**  
**Series 2012**

Dated: March 1, 2012

Due: February 1, as shown below

Interest on the Series 2012 Warrants is payable semiannually on February 1 and August 1 in each year, commencing August 1, 2012. The Series 2012 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 2012 Warrants. Purchases of beneficial interest in the Series 2012 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 2012 Warrants. So long as DTC or its nominee, Cede & Co. is the registered owner of the Series 2012 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 2012 Warrants are not 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>
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(Plus accrued interest from March 1, 2012)

The Series 2012 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 2012 Warrants in definitive form will be available for delivery through DTC in New York, New York on or about March \_\_, 2012.

**Gardnyr Michael Capital, Inc.**

Date: \_\_\_\_\_, 2012

\*Preliminary: Subject to change.

49

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2012 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 Series 2012 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

Bailey Yelding, Jr.

City Council Members

Tommie Conaway  
Cathy Barnette  
John L. Lake  
Kelly D. Reese  
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 2012 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 2012 Warrants, nor shall there be any sale of such Series 2012 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 2012 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 2012 WARRANTS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012 WARRANTS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

	PAGE
INTRODUCTION.....	1
PURPOSE OF THE SERIES 2012 WARRANTS.....	1
THE SERIES 2012 WARRANTS.....	3
SECURITY.....	7
CONTINUING DISCLOSURE.....	8
CITY DEBT.....	10
CITY REVENUES.....	12
THE CITY.....	16
LITIGATION.....	21
TAX EXEMPTION.....	21
UNDERWRITING.....	23
RATING.....	23
LEGAL MATTERS.....	23
VERIFICATION OF ARITHMETICAL COMPUTATIONS.....	23
INFORMATION IN THE APPENDICES.....	24
MISCELLANEOUS.....	24

- Appendix A - Proposed Form of Legal Opinion
- Appendix B - Audited Financial Statements of the City

OFFICIAL STATEMENT

CITY OF DAPHNE, ALABAMA

§ \_\_\_\_\_\*  
General Obligation Refunding and Improvement Warrants  
Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale and issuance by the City of Daphne, Alabama (the "City") of \$ \_\_\_\_\_\* principal amount of its General Obligation Refunding and Improvement Warrants, Series 2012, dated March 1, 2012 (the "Series 2012 Warrants"). The Series 2012 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 \_\_\_\_\_, 2012. The Warrant Ordinance will constitute a contract with the holders of the Series 2012 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 2012 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 2012 Warrants are qualified in their entirety by the definitive form thereof and the information with respect thereto included in the Warrant Ordinance.

PURPOSE OF THE SERIES 2012 WARRANTS

The City has determined to issue the Series 2012 Warrants for the purposes of (i) financing the costs of various road construction and improvement projects for the City, (ii) refunding the City's General Obligation Warrants, Series 2002 (the "Series 2002 Warrants") and the City's Limited Obligation Special Tax Warrants, Series 2006 (the "Series 2006 Warrants") and (iii) paying the expenses of issuing the Series 2012 Warrants.

Refunding Plan

Simultaneously with the delivery of the Series 2012 Warrants the City will enter into a trust agreement (the "2002 Escrow Trust Agreement") requiring the City to deposit with The Bank of New York Mellon Trust Company, N.A., as Trustee (the "2002 Escrow Trustee"), certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2012 Warrants. All of such monies will be deposited in the trust fund established under the 2002 Escrow Trust Agreement (the "2002 Escrow Trust Fund") and applied for the purposes and on the dates as hereinbelow described. Such obligations, together with any remaining cash, will be held by the 2002 Escrow Trustee for the benefit of the holders of the Series 2002 Warrants, issued in the aggregate principal amount of \$2,660,000 and currently outstanding in the aggregate principal amount of \$2,110,000. The Series 2002 Warrants are payable as to principal and interest on February 1 and August 1, and are subject to redemption prior to maturity on or after February 1, 2012 at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The Series 2002 Warrants maturing after February 1, 2012 will be called for redemption and prepaid from the 2002 Escrow Trust Fund on \_\_\_\_\_, 2012 (the "2002 Call Date").

\*Preliminary: subject to change.

The City will enter into a trust agreement (the "2006 Escrow Trust Agreement") requiring the City to deposit with The Bank of New York Mellon Trust Company, N.A., as Trustee (the "2006 Escrow Trustee"), certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2012 Warrants. Substantially all of such monies are required to be invested by the 2006 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 2006 Escrow Trustee to apply monies in the trust fund established under the 2006 Escrow Trust Agreement (the "2006 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 2006 Escrow Trustee for the benefit of the holders of the Series 2006 Warrants, issued in the aggregate principal amount of \$9,090,000 and currently outstanding in the aggregate principal amount of \$8,755,000. The Series 2006 Warrants are payable as to principal and interest on February 1 and August 1, and are subject to redemption prior to maturity on February 1, 2013 (the "2006 Call Date") at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The Series 2006 Warrants maturing after the 2006 Call Date will be called for redemption and prepaid from the 2006 Escrow Trust Fund on the 2006 Call Date.

**Improvements**

A portion of the proceeds of the Series 2012 Warrants will be used to pay a portion of the costs of road and bridge improvements, including resurfacing, repair and new construction of roads, bridges and related drainage facilities and rights of way for the City, which projects are expected to have a cost of at least \$3,000,000 (the "2012 Improvements").

**Estimated Sources and Use of Proceeds\***

The estimated sources and uses of funds for this financing are as follows:

**Sources of Funds:**

- Par Amount
- Accrued Interest
- Less Original Issue Discount/
- Plus Original Issue Premium

**Total**

**Uses of Funds:**

- Deposit into 2012 Improvements Fund
- Deposit into 2002 Escrow Trust Fund
- Deposit into 2006 Escrow Trust Fund
- Underwriting Discount
- Deposit into Warrant Fund
- Issuance Expense

**Total**

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\*Preliminary: subject to change.

## THE SERIES 2012 WARRANTS

### Description of the Series 2012 Warrants

The Series 2012 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 2012 Warrants will be dated March 1, 2012, will bear interest payable on August 1, 2012, and semiannually on each February 1 and August 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 Series 2012 Warrant will bear interest from its due date until paid at the rate of interest borne by the principal of such Series 2012 Warrant prior to maturity.

The principal of and the premium, if any, on the Series 2012 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 2012 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 2012 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 2012 Warrants. The Series 2012 Warrants will be issued as fully-registered Series 2012 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 Warrant certificate will be issued for each maturity of each series of the Series 2012 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 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 rating of AA+.

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](http://www.dtcc.com).

Purchases of Series 2012 Warrants under the DTC system must be made by and through Direct Participants, which will receive a credit for the Series 2012 Warrants on DTC's records. The ownership interest of each actual purchaser of each Series 2012 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 2012 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 2012 Warrants, except in the event that the use of the book-entry system for the Series 2012 Warrants is discontinued.

To facilitate subsequent transfers, all Series 2012 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 2012 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 2012 Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 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 2012 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 2012 Warrants to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2012 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 2012 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 2012 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 2012 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 Warrant 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 2012 Warrants so delivered (and any Series 2012 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 2012 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 2012 Warrants" below.

### **Certain Provisions Respecting Registration and Transfer of the Series 2012 Warrants**

The Series 2012 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 2012 Warrants. No transfer of the Series 2012 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 2012 Warrants may, upon request, and upon the surrender to the Paying Agent of such Warrant, exchange such Warrant for Series 2012 Warrants of other authorized denominations of the same series, maturity and interest rate and together aggregating the same principal amount as the Series 2012 Warrant so surrendered. Any registration, transfer and exchange of Series 2012 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 2012 Warrants, by receiving or accepting the Series 2012 Warrants, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, the Series 2012 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 2012 Warrants takes them subject to all principal and interest payments in fact made with respect to the Series 2012 Warrants.

No transfer of any Series 2012 Warrant will be valid except upon presentation and surrender of such Series 2012 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 2012 Warrant, the City will execute a new Series 2012 Warrant, and the Registrar will deliver to the transferee such new Series 2012 Warrant registered in the name of such transferee.

Any holder of one or more of the Series 2012 Warrants may, upon the surrender thereof to the Registrar, exchange such Series 2012 Warrant or Warrants for other Series 2012 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 2012 Warrant or Warrants so surrendered.

### **Redemption Prior to Maturity**

The Series 2012 Warrants will be subject to redemption and payment prior to their maturity as follows:

*[Optional Redemption.* The Series 2012 Warrants will be subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, \_\_\_\_\_ and on date thereafter (in principal amounts of \$5,000 and any integral multiple thereof and if less than all of the Series 2012 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 2012 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 2012 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 2012 Warrant called for redemption.]

*[Scheduled Mandatory Redemption.* The Series 2012 Warrants maturing on February 1, \_\_\_\_, will be subject to mandatory redemption prior to maturity on the dates and in the principal amounts shown below. Those of the Series 2012 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.

February 1 of the Year

Principal Amount Required to be Redeemed

In the absence of prior optional redemption, Series 2012 Warrants in the aggregate principal amount of \$\_\_\_\_\_ will remain to be paid at their stated maturity on February 1, \_\_\_\_\_.

## SECURITY

### General

The Series 2012 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 2012 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 "2011 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 January and July commencing in July, 2012, 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 2012 Warrants on the then next succeeding interest payment date, plus (ii) the principal, if any, of the Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Warrants, the holders of the Series 2012 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 2012 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 2012 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 2012 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.

### 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 in a timely manner not in excess of 10 days after the occurrence of the event:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on any reserve funds reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material

notices or determinations with respect to the tax status of the Series 2012 Warrants, or other material events affecting the tax status of the Series 2012 Warrants

- Modifications to rights of Warrantholders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the Series 2012 Warrants, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event with respect to the City
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of the name of a trustee, if material
- Notice of a failure of the City to provide required Annual Report, on or before the date specified in the Continuing Disclosure Agreement

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 2012 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 2012 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 2012 Warrants and that the City's obligations may be enforced by any beneficial owner of the Series 2012 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 2012 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 2012 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*	\$4,736,116
2003 Refunding Warrants	3,350,000
2006 General Obligation Refunding and Improvement Warrants**	20,480,000
2010 General Obligation Refunding Warrants	<u>1,930,000</u>
<b>TOTAL</b>	<b>\$30,496,116</b>

\*Payments are made solely from business sales tax revenues.

\*\*\$3,686,400 (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 2012 Warrants within the next 90 days. The City does not have any additional indebtedness authorized but unissued.

**Subordinate Entity Debt**

As of September 30, 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 \$21,795,000.

60

## Debt Service Requirements\*

The following table presents the debt service requirements on general obligation warrants of the City after the issuance of the Series 2012 Warrants.

Fiscal Year	Principal of the Series 2012 Warrants	Interest on the Series 2012 Warrants	Debt Service of the Series 2010 Warrants	Debt Service of the Series 2006 Warrants	Debt Service of the Series 2003 Warrants	Total Debt Service
2011			151,887.50	1,936,940.00	554,251.26	
2012			239,787.50	1,936,140.00	551,651.26	
2013			375,887.50	1,932,450.00	553,321.26	
2014			374,187.50	1,936,387.50	554,415.00	
2015			370,687.50	1,935,787.50	551,015.00	
2016			368,787.50	1,933,387.50	552,015.00	
2017			375,037.50	1,934,187.50	554,195.00	
2018				1,732,987.50	550,140.00	
2019				1,734,962.50		
2020				1,414,812.50		
2021				1,416,137.50		
2022				1,414,575.00		
2023				1,415,025.00		
2024				1,413,275.00		
2025				1,414,450.00		
2026				1,413,375.00		
2027				1,415,050.00		
2028				1,414,250.00		
2029				1,415,975.00		
2030						
2031						
2032						

\*Preliminary: subject to change.

## 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 "General Debt Limit"). The Constitution exempts from this General Debt Limit 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 Constitution also provides for a separate debt limit for certain economic development projects issued pursuant to Section 94.01 of the constitution (the "Economic Development Debt Limit") and not against the General Debt Limit. The City has outstanding \$3,686,400 of obligations issued for Sewer Projects and thus not chargeable to its debt limit, and \$8,755,000 issued pursuant to Section 94.01 of the Constitution of Alabama and thus not chargeable against the General Debt Limit.

The General Debt Limit based on assessed value of real and personal property of \$371,632,820 as of October 1, 2011 is computed as follows:

General & Limited Obligation Debt	\$42,193,271
Debt Chargeable to Debt Limit	28,984,716
Debt Limit (20% of Assessed Value)	74,326,564
Debt Margin	45,341,848
Debt to Assessed Valuation	11.35%
2010 Population of City	21,570
Total Debt Per Capita	1,956

### 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, 2010, 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 2012 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, 2006 through 2010:

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62

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN GENERAL FUND BALANCE  
FOR THE FISCAL YEARS ENDING SEPTEMBER 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>					
Taxes	18,169,080	18,282,348	18,089,770	17,885,133	17,260,041
Licenses & Permits	1,733,817	1,913,500	2,348,757	2,434,848	2,015,129
Intergovernmental	220,397	270,176	195,574	296,586	369,426
Grants	419,052	327,265	314,111	24,396	89,689
Fees & Charges	428,922	341,979	350,858	359,831	416,813
Interest	57,386	78,083	305,893	413,042	238,840
Fines & Forfeitures	401,835	438,638	371,702	382,238	365,182
Miscellaneous	259,457	170,145	80,958	257,371	796,302
<b>TOTAL REVENUES</b>	<b>21,689,946</b>	<b>21,822,136</b>	<b>22,057,623</b>	<b>22,053,445</b>	<b>21,551,422</b>
<b>EXPENDITURES</b>					
General Government	2,948,180	3,323,876	3,124,837	2,827,689	2,607,770
Public Safety	8,416,326	8,526,615	8,192,973	7,083,067	6,054,541
Public Works	3,223,803	3,466,342	3,508,471	3,589,601	3,305,187
Parks & Recreation	2,190,813	2,072,921	1,943,232	1,699,809	1,706,491
Capital Outlay	1,322,029	509,184	1,012,752	1,671,788	2,362,934
Debt Service	2,892,612	2,610,186	2,640,775	2,668,795	2,483,006
<b>TOTAL EXPENDITURES</b>	<b>20,993,763</b>	<b>20,509,123</b>	<b>20,423,040</b>	<b>19,540,749</b>	<b>18,519,929</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds	506,969	146,678	-	-	-
Allowance for Compensated Absences	-	-	-	-	-
Transfers to Other Funds	(815,584)	(913,585)	(672,825)	(1,375,994)	(560,427)
Transfers from Other Funds	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Contribution to Utility Board	-	-	-	-	-
<b>TOTAL OTHER FINANCING</b>	<b>(308,615)</b>	<b>(766,908)</b>	<b>(672,825)</b>	<b>(1,375,994)</b>	<b>(560,427)</b>
<b>EXCESS (DEFICIT) OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
	<b>387,568</b>	<b>546,105</b>	<b>961,758</b>	<b>1,136,702</b>	<b>2,471,066</b>
FUND BALANCE, BEGINNING OF YEAR	11,226,999	10,510,398	10,050,587	8,795,402	5,968,130
(INCREASE) DECREASE IN RESERVE FOR ENCUMBRANCES/TRANSFERS TO EQUITY OF OTHER FUNDS	472,903	170,496	(501,947)	118,483	356,206
UNRESRD FND BALANCE, END OF YEAR	<u>12,087,471</u>	<u>11,226,999</u>	<u>10,510,398</u>	<u>10,050,587</u>	<u>8,795,402</u>

## 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>
2010-11	(unaudited)	10,782,655
2009-10		10,698,807
2008-09		10,039,547
2007-08		11,279,350
2006-07		11,871,233

## 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>
2010-11	(unaudited)	1,460,700
2009-10		1,400,404
2008-09		1,484,967
2007-08		1,592,999
2006-07		1,464,404

## 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, 2011 was \$371,632,820.

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 real property 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>
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	5,180,609	5,122,194	99%
2010	355,490,780	4,763,573	4,368,732	92%
2011	371,632,820	4,698,350	4,512,972	96%

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>
2010-11 (unaudited)	2,269,687
2009-10	1,952,460
2008-09	1,959,785
2007-08	1,773,316
2006-07	1,613,859

**Other Taxes**

The City also levies a beer tax which revenues were \$271,644 for 2009-10 and for 2010-11 (unaudited) were 270,167, a gasoline tax which revenues were \$180,932 for 2009-10 and for 2010-11 (unaudited) were \$174,525, a liquor tax which revenues were \$60,431 for 2009-10 and for 2010-11 (unaudited) were \$61,321, a tobacco tax which revenues were \$1,333,473 for 2009-10 and for 2010-11 (unaudited) were \$129,419 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	2009	2010
State of Alabama	4,587,564	4,661,900					
Baldwin County	168,516	174,439					
City of Daphne	18,880	19,093					

Sources: U.S. Department of Commerce, Bureau of Census, Population Estimates Division.

**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>
Bailey Yelding, Jr.	Mayor	Retired
Tommie Conaway	Council member	Retired
Cathy Barnette	Council member	Project Manager, Eco Solutions, Inc.
John L. Lake	Council member	Joiner Installer
Kelly D. Reese	Council member	Attorney
Ron Scott	Council member	Baldwin County Appraiser
Derek Boulware	Council member	Banker

66

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 254 full-time persons in its several departments as of December 31, 2010. 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 \$214,128 as of September 30, 2010.

### **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 2008 and 2009, the Regional Economic Information System, Bureau of Economic Analysis, Table CA1-3; internet release date, April, 2011 indicates the following with respect to per capita income levels in the jurisdictions.

	<u>2008</u>	<u>2009</u>
Baldwin County	35,829	34,461
State of Alabama	33,928	33,411
United States	40,674	39,635

In 2009 Baldwin County had a per capital personal income ("PCPI") of \$34,461. This PCPI ranked 6<sup>th</sup> in the state and was 103% of the state average, \$33,411, and 86% of the national average of \$39,635.

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 2010 is as follows:

Baldwin County	13.3%
State of Alabama	18.9%
United States	15.3%

Source: U.S. Department of Commerce, Bureau of the Census, Small Area Estimates Branch. Release date of November 2011.

Estimated per capita personal income in the City of Daphne for 2009 was \$32,085.

\*Source: U.S. Census Bureau

The City, the Eastern Shore Chamber of Commerce and the Baldwin County Economic Development Alliance report that as of 2009, median family income in the City was \$60,541 and \$48,487 in the County. The State median family income figure as of 2009 was \$40,489.

## Major Employers

The top ten (10) manufacturing and nonmanufacturing employers in Baldwin County, their principal activity and the number of employees of each are as follows:

Top 10 Manufacturers in Baldwin County

Company	Product	Location	Employment
Goodrich Aerospace and Aerostructures Group	Retrofitting of Thrust Reverses & Nacelle Components	Foley	805
Standard Furniture	Bedroom & Dining Room Tables	Bay Minette	530
Ace Hardware Support Center	Hardware Distribution	Loxley	250
Vulcan, Inc.	Aluminum and Steel Products	Foley	200
International Paper	Shipping Containers	Bay Minette	150
Bon Secour Fisheries	Seafood Processing	Bon Secour	152
Quincy Compressors	Rotary Screw Air Compressors	Bay Minette	149
Quality Filters, Inc.	Air Filters	Robertsdale	102
Dental EZ, Inc.	Dental Equipment & Supplies	Bay Minette	100
Segers Aero	Aerospace MRO	Fairhope	91

Top 10 Non-Manufacturers in Baldwin County

Company	Product/Service	Location	Employment
Baldwin County Board of Education	Education	Bay Minette	3,141
Wal-Mart Super Centers	General Retail	Baldwin County	1,600
Thomas Hospital	Medical Care	Fairhope	1,048
South Baldwin Regional Medical Center	Medical Care	Foley	653
Baldwin County Commission	Government	Bay Minette	650
Marriott Grand Hotel	Hotel & Country Club	Fairhope	600
Mercy Medical	Medical Care	Daphne	550
North Baldwin Infirmary	Medical Care	Bay Minette	189
Faulkner State Community College	Education	Baldwin County	175
Connexion Technologies	Call/Support Center	Gulf Shores	80

Source: Baldwin County Economic Development Alliance

**Top Ten Taxpayers of the City - 2010**

Taxpayers	Assessed Value (000's)	Taxes Paid
L-A Daphne LLC	\$227,986	\$5,420,820
Myers Family Limited Partnership	134,854	3,136,140
Sam's Real Estate Business Trust	120,367	2,799,180
Walmart Real Estate Business Trust	119,090	2,769,180
Whispering Pines Park LLC	110,204	2,562,860
Esfahani Real Estate Holdings of AL	109,969	2,557,420
Lowe's Home Center	105,426	2,451,761
North Fork Apartments LP	101,014	2,349,160
Tameron Properties LLC	87,650	2,038,380
Jubilee Hotels Inc.	84,820	1,972,560

Source: City of Daphne, Alabama

**Unemployment Rate**

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:

	2005	2006	2007	2008	2009	2010	2011*
Baldwin County	3.4	2.8	2.7	4.1	8.6	8.9	7.2
State of Alabama	4.0	3.5	3.5	5.0	10.1	9.0	9.3
United States	5.1	4.6	4.6	5.8	9.3	9.1	8.9

\*Through December, 2011

Source: U.S. Department of Labor, Bureau of Labor Statistics; Not Seasonally Adjusted.

**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 2012 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 2012 Warrants. Simultaneously with the delivery of the Series 2012 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 all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2012 Warrants in order that interest thereon be and remain excludable from gross income, the interest income on the Series 2012 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; provided, that it should be noted that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The City has covenanted to comply with all such requirements but failure to comply with certain of such requirements could cause the interest on the Series 2012 Warrants to be included in gross income, retroactive to the date of issuance of the Series 2012 Warrants. Bond Counsel will express no opinion with respect to the federal tax consequences to the recipients of the interest income on the Series 2012 Warrants under any provision of the Code not referred to above.

Prospective purchasers of the Series 2012 Warrants should be aware that ownership of the Series 2012 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 2012 Warrants. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 \_\_\_\_\_, 2011, 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 2012 Warrants to certain dealers (including dealers depositing the Series 2012 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 2012 Warrants if any are purchased. The Underwriter is obligated to purchase and pay for all the Series 2012 Warrants in cash.

## RATING

Standard & Poor's Rating Service ("Rating Agency") has assigned a rating to the Series 2012 Warrants of "AA." Any definitive explanation of the significance of any such rating may be obtained only from the 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 Rating Agency, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Series 2012 Warrants could have an adverse effect on their market price.

## LEGAL MATTERS

The legality and validity of the Series 2012 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 2012 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 2002 Warrants and the Series 2006 Warrants, and (b) computation of the yields on the Series 2012 Warrants and the escrowed Government Obligations was examined by GNP Services, CPA, PA. Such computations were based solely upon assumptions and information supplied by the City. GNP Services, CPA, PA 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 2012 Warrants have been approved by the governing body of the City.

CITY OF DAPHNE, ALABAMA

By: \_\_\_\_\_  
Mayor

Dated \_\_\_\_\_, 2012

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APPENDIX A

[FORM OF LEGAL OPINION]

City of Daphne  
Daphne, Alabama

Re: \$ \_\_\_\_\_ \* City of Daphne General Obligation Refunding and Improvement Warrants,  
Series 2012

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, adopted \_\_\_\_\_, 2012 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; provided, that it should be noted that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. 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: \_\_\_\_\_

APPENDIX B  
AUDITED FINANCIAL STATEMENTS OF  
THE CITY OF DAPHNE

CITY OF DAPHNE, ALABAMA

GENERAL OBLIGATION REFUNDING AND IMPROVEMENT WARRANTS,  
SERIES 2012

WARRANT PURCHASE AGREEMENT

\_\_\_\_\_, 2012

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 Underwriter and, subject to approval of an authorizing ordinance as provided in Section 7 hereof, upon the City. This offer is made subject to the City's acceptance on or before 8:00 p.m., Daphne, Alabama time, on \_\_\_\_\_, 2012, 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 agrees 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 and Improvement Warrants, Series 2012 (the "Series 2012 Warrants"). The Series 2012 Warrants shall be dated as of April 1, 2012 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 2012 Warrants shall be payable on February 1 and August 1 in each year to maturity or earlier redemption. The Series 2012 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 2012 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") to be adopted by the City Council. The Series 2012 Warrants are being issued for the purposes of refunding certain outstanding warrants of the City, paying costs of certain road and bridge improvements and paying the expenses of issuing the Series 2012 Warrants. The City is pledging its full faith and credit for payment of the principal of and interest on the Series 2012 Warrants.

Subject to the terms and conditions set forth herein, the Underwriter agrees to make a public offering of the Series 2012 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 2012 Warrants.

2. **Offering.** It shall be a condition of the City's obligation to sell and deliver the Series 2012 Warrants to the Underwriter, and the obligation of the Underwriter to purchase and accept delivery of the Series 2012 Warrants, that the entire aggregate initial principal amount of the Series 2012 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") not later than the Closing Date. The filing with 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 2012 Warrants unless a final written confirmation of the sale is accompanied or preceded by the delivery of a copy of the Official Statement, either directly or by notice that it is available through EMMA.

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 2012 Warrants to the Underwriter as provided herein, and (iv) carry out and consummate the transactions contemplated by this Warrant Purchase Agreement, the Escrow Trust Agreements between the City and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the "Escrow Trust Agreements"), the Ordinance and the Official Statement, and on the Closing Date will be in compliance with the obligations on its part in connection with the issuance of the Series 2012 Warrants contained in the Ordinance, the Series 2012 Warrants and this Warrant Purchase Agreement.

(c) In its Resolution adopted \_\_\_\_\_, 2012, the City Council authorized the execution and delivery by the Mayor of this Warrant Purchase Agreement on the part of the City, subject, however, to final approval by the Council of an authorizing ordinance with respect to the Series 2012 Warrants.

(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 2012 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 2012 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 2012 Warrants or in connection with the registration of the Series 2012 Warrants under the federal securities laws.

5. **Closing.** At 9:00 a.m., local time, on April \_\_, 2012, 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 2012 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 2012 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. **Underwriter's Closing Conditions.** The Underwriter has 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Warrants or to enforce contracts for the sale of the Series 2012 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 2012 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 2012 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 2012 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 2012 Warrants or in any way contesting or affecting any authority for or the validity of the Series 2012 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 2012 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 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 2012 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 2012 Warrants will be used in a manner that would cause such Series 2012 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 2012 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 2012 Warrants shall be terminated for any reason permitted by this Warrant Purchase Agreement, including the exercise of the Underwriter's 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. **City's Closing Condition.** The obligations of the City under this Warrant Purchase Agreement are and shall be subject to the following conditions:

(a) Adoption of the Ordinance by the City Council;

(b) Receipt from the Underwriter of a Certificate, to be attached to, and relied upon by the City in delivering, the City's Tax Certificate and Agreement, with respect to (i) the bona fide nature of the offering of the Warrants, (ii) the issue price for the Warrants, determined in accordance with applicable law and regulations, and (iii) the yield on the Warrants calculated in accordance with applicable law and regulations; and

(c) Receipt of a report of a firm of certified public accountants with regard to the adequacy of the refunding escrows under the Escrow Trust Agreements, or, in the case of the Series 2002 Warrants, a certificate from the Paying Agent for the Series 2002 Warrants as to the total amount of principal and interest to come due on the date of redemption of the Series 2002 Warrants.

8. **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; (f) the costs of escrow verification reports as required; and (g) 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 it in connection with

the public offering of the Series 2012 Warrants. In the event that either party shall have paid obligations of the other as set forth in this Section 8, adjustment shall be made at the time of the Closing.

9. **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.

10. **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 2012 Warrants.

11. **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.

12. **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.

13. **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.

14. **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 2012 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 \_\_\_\_\_, 2012.

CITY OF DAPHNE

By: \_\_\_\_\_  
Bailey Yelding, Jr.  
Mayor of the City of Daphne

1374756\_2

EXHIBIT A

PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS  
AND REDEMPTION PROVISIONS

<u>Year of</u> <u>Maturity</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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[Redemption language]

A-1

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ESCROW TRUST AGREEMENT

between

CITY OF DAPHNE, ALABAMA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Relating to

City of Daphne  
General Obligation Warrants  
Series 2002

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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., (herein called "the Trustee").

RECITALS

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 Warrants, Series 2002 (the "Series 2002 Warrants"), issued in the aggregate principal amount of \$2,660,000 and currently outstanding in the aggregate principal amount of \$2,110,000. The Series 2002 Warrants mature and are subject to optional redemption and scheduled mandatory redemption, accrue interest at the rates and are payable in the manner and at the times and places set forth in the ordinance of the City Council adopted on August 19, 2002, authorizing the issuance of the Series 2002 Warrants, (the "Series 2002 Ordinance").

(2) In order to provide the funds necessary to pay principal and interest that will hereafter mature on the currently outstanding Series 2002 Warrants, and to redeem the Series 2002 Warrants, and for certain other purposes, the City has, contemporaneously with the execution and delivery of this Trust Agreement, issued \$\_\_\_\_\_ principal amount of its General Obligation Refunding and Improvement Warrants, Series 2012 (herein called the "Series 2012 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 2002 Refunding Escrow Fund, 2012" and which shall be applied for the purpose hereinafter specified. The cash and maturing principal of and interest on any securities held in such Escrow Fund shall be applied to payment of the amount required to pay the principal of and interest on the Series 2002 Warrants, or the redemption prices therefor, as provided herein.

Section 2. Deposit of Proceeds from Issuance of Warrants. The City hereby deposits with the Trustee, from proceeds of the Series 2012 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. The Escrow Fund may be invested only at the written direction of the City in direct obligations of the United States of America or a money market account consisting of the same; provided, however, that no investment of the cash on deposit in the Escrow Fund shall be made in any such direct obligation which has a maturity

value, including accrued interest, that is less than the purchase price thereof or which comes due later than the 2002 Call Date (as hereinafter defined).

Section 4. Application of the Escrow Fund. The Trustee shall apply all cash in the Escrow Fund solely to the payment of the principal and interest with respect to the Series 2002 Warrants (the "Refunded Debt Service"), by transferring to the Paying Agent with respect to the Series 2002 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 schedules attached hereto as Exhibit "B" and made a part hereof.

Section 5. Sufficiency of Escrow. The City represents and warrants the amount deposited in the Escrow Fund is sufficient, without investment, to provide for full and timely payment of the Refunded Debt Service.

Section 6. Redemption of Series 2002 Warrants. (a) In order to effect the redemption of those of the Series 2002 Warrants that are to be redeemed prior to maturity, the City has called the Series 2002 Warrants for redemption on \_\_\_\_\_, 2012 (the "2002 Call Date"), \$2,110,000 in aggregate principal amount of the Series 2002 Warrants (being all of the Series 2002 Warrants currently outstanding), the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2002 Warrant so called for redemption plus accrued interest thereon to the 2002 Call Date.

(b) The City agrees that it will not repeal, revoke or amend its resolution of April \_\_, 2012, in which the City has authorized the call for redemption of the Series 2002 Warrants.

(c) In order to effect the redemption of the Series 2002 Warrants, the City

(1) agrees to take all necessary action requisite to the redemption of the Series 2002 Warrants; and

(2) will deposit with the Trustee the amounts necessary to effect the redemption of the Series 2002 Warrants to the extent, if any, that funds are not available in the Escrow Fund for that purpose.

(d) Pursuant to the City's resolution of April \_\_, 2012, the City has authorized and directed the Trustee to cause notice of the redemption of the Series 2002 Warrants to be given in accordance with the requirements of the Series 2002 Warrants and the Series 2002 Ordinance and of this Agreement.

Section 7. Compensation to the Trustee. The City will pay to the Trustee, promptly upon receipt of statements 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. If the Trustee 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 Trustee's negligence or willful

misconduct), the Trustee shall notify the City of the same in writing and the City shall promptly pay the Trustee for such extraordinary fees, costs and expenses (including reasonable attorney's fees, costs and expenses) reasonably and necessarily incurred in connection therewith. 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 2002 Warrants, at any time and from time to time, amend this Escrow 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 2002 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 conclusively 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 2002 Warrants and the parties hereto and their respective successors.

Section 10. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of Alabama without regard to conflict of law principles.

Section 11. Concerning the Trustee. It is expressly understood and agreed that the Trustee's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Trustee. The Trustee may consult with counsel with respect to any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by the Trustee in good faith upon the advice of such counsel. The Trustee may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Trustee may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith

deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Trustee hereunder shall be paid from, and is limited to funds available, established and maintained hereunder and the Trustee shall not be required to expend its own funds for the performance of its duties under this Agreement. The Trustee shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances. The Trustee may resign at any time upon thirty (30) days written notice to the City.

[Signatures follow on next page]

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 as of April 1, 2012.

CITY OF DAPHNE, ALABAMA

By: \_\_\_\_\_  
Its: Mayor

Attest:

\_\_\_\_\_  
Its: City Clerk

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Its: \_\_\_\_\_

1438687\_2

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 FLOWS

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ESCROW TRUST AGREEMENT

between

CITY OF DAPHNE, ALABAMA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Relating to

City of Daphne  
Limited Obligation Special Tax Warrants  
Series 2006

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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., (herein called "the Trustee").

RECITALS

The City makes the following recitals and representations as the basis for the undertakings herein contained:

(1) The City has heretofore issued its Limited Obligation Special Tax Warrants, Series 2006 (the "Series 2006 Warrants"), issued in the aggregate principal amount of \$9,090,000 and currently outstanding in the aggregate principal amount of \$8,755,000. The Series 2006 Warrants mature and are subject to optional redemption and scheduled mandatory redemption, accrue interest at the rates and are payable in the manner and at the times and places set forth in the ordinance of the City Council adopted on September 5, 2006, authorizing the issuance of the Series 2006 Warrants, (the "Series 2006 Ordinance").

(2) In order to provide the funds necessary to pay principal and interest that will hereafter mature on the currently outstanding Series 2006 Warrants, and to redeem the Series 2006 Warrants, and for certain other purposes, the City has, contemporaneously with the execution and delivery of this Trust Agreement, issued \$\_\_\_\_\_ principal amount of its General Obligation Refunding and Improvement Warrants, Series 2012 (herein called the "Series 2012 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 2006 Refunding Escrow Fund, 2012" and which shall be applied for the purpose hereinafter specified. The cash and maturing principal of and interest on all securities held in such Escrow Fund shall be applied to payment of the amount required to pay the principal of and interest on the Series 2006 Warrants, or the redemption prices therefor, as provided herein.

Section 2. Deposit of Proceeds from Issuance of Warrants. The City hereby deposits with the Trustee, from proceeds of the Series 2012 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 \$\_\_\_\_\_ 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. The remaining amount (viz., \$\_\_\_\_) shall remain uninvested in the Escrow Fund.

Section 4. Application of the Escrow Fund. The Trustee shall apply all cash in the Escrow Fund solely to the payment of the principal and interest with respect to the Series 2006 Warrants (the "Refunded Debt Service"), by transferring to the Paying Agent with respect to the Series 2006 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 schedules attached hereto as Exhibit "B" and made a part hereof.

Section 5. Sufficiency of Escrow. The City represents and warrants 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 Funds sufficient to provide for payment of the Refunded Debt Service.

Section 6. Redemption of Series 2006 Warrants. (a) In order to effect the redemption of those of the Series 2006 Warrants that are to be redeemed prior to maturity, the City has called the Series 2006 Warrants for redemption, as follows:

(i) as required by Section 6 of the Series 2006 Ordinance, on August 1, 2012, \$130,000 in aggregate principal amount of the Series 2006 Warrants, the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2006 Warrant so called for redemption plus accrued interest thereon to the date of redemption.

(ii) on February 1, 2013 (the "2006 Call Date"), \$8,625,000 in aggregate principal amount of the Series 2006 Warrants (being all of the Series 2006 Warrants maturing after the 2006 Call Date), the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Series 2006 Warrant so called for redemption plus accrued interest thereon to the 2006 Call Date.

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 \_\_, 2012, in which the City has authorized the call for redemption of the Called Warrants.

(c) In order to effect the redemption of the Called Warrants, 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) Pursuant to the City's resolution of April \_\_, 2012, the City has authorized and directed the Trustee to cause notice of the redemption of the Called Warrants to be given in accordance with the requirements of the Series 2006 Warrants and the Series 2006 Ordinance and of this Agreement.

Section 7. Compensation to the Trustee. The City will pay to the Trustee, promptly upon receipt of statements 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. If the Trustee 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 Trustee's negligence or willful misconduct), the Trustee shall notify the City of the same in writing and the City shall promptly pay the Trustee for such extraordinary fees, costs and expenses (including reasonable attorney's fees, costs and expenses) reasonably and necessarily incurred in connection therewith. 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 2006 Warrants, at any time and from time to time, amend this Escrow 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 2006 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 conclusively 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 2006 Warrants and the parties hereto and their respective successors.

Section 10. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of Alabama without regard to conflict of law principles.

Section 11. Concerning the Trustee. It is expressly understood and agreed that the Trustee's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Trustee. The Trustee may consult with counsel with respect to any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by the Trustee in good faith upon the advice of such counsel. The Trustee may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Trustee may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Trustee hereunder shall be paid from, and is limited to funds available, established and maintained hereunder and the Trustee shall not be required to expend its own funds for the performance of its duties under this Agreement. The Trustee shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances. The Trustee may resign at any time upon thirty (30) days written notice to the City.

[Signatures follow on next page]

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 as of April 1, 2012.

CITY OF DAPHNE, ALABAMA

By: \_\_\_\_\_  
Its: Mayor

Attest:

\_\_\_\_\_  
Its: City Clerk

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Its: \_\_\_\_\_

1438679\_2

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 FLOWS

## 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 and Improvement Warrants, Series 2012 (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 \_\_, 2012.

"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](http://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 Gardner Michael Capital, Inc.

“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.

### 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, 2012, provide to each Repository, and each Participating Underwriter, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be made to EMMA as word-searchable PDF files configured to permit the documents to be saved, viewed, printed or retransmitted by electronic means. 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 National Repository and Participating Underwriter, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(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

(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 each National Repository to which it was provided.

(d) The City shall provide or cause to be provided, in a timely manner, to each National 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, in a timely manner not in excess of 10 days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on any reserve funds 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants;
7. Modifications to rights of Warrantholders, if material;

8. Warrant calls, if material;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Warrants, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event with respect to the City;
14. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of the name of a trustee, if material; and
16. Notice of a failure of the City to provide required Annual Report, on or before the date specified in the Continuing Disclosure Agreement.

(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.

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, 2011.

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: April \_\_, 2012

CITY OF DAPHNE, ALABAMA

By: \_\_\_\_\_  
Mayor

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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 April \_\_\_\_, 2012. 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

## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of April \_\_\_, 2012, 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").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

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, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure 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 Treasurer for the City of Daphne, Alabama, 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.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“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, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Warrants (other

than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A. [4]\_\_\_\_\_.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Issuer’s General Obligation Refunding and Improvement Warrants, Series 2012, as listed on Appendix A.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

“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, 2012. 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 Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event 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 without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(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 Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) 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 Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  1. "Principal and interest payment delinquencies;"
  2. "Non-Payment related defaults, if material;"
  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, IRS notices or events affecting the tax status of the security;"
  7. "Modifications to rights of securities holders, if material;"
  8. "Warrant calls, if material;"

9. "Defeasances;"
  10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
  11. "Rating changes;"
  12. "Tender offers;"
  13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
  14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
  15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
  2. "change in obligated person;"
  3. "notice to investors pursuant to Warrant documents;"
  4. "certain communications from the Internal Revenue Service;"
  5. "secondary market purchases;"
  6. "bid for auction rate or other securities;"
  7. "capital or other financing plan;"
  8. "litigation/enforcement action;"
  9. "change of tender agent, remarketing agent, or other on-going party;"
  10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. "quarterly/monthly financial information;"
  2. "change in fiscal year/timing of annual disclosure;"
  3. "change in accounting standard;"
  4. "interim/additional financial information/operating data;"
  5. "budget;"
  6. "investment/debt/financial policy;"
  7. "information provided to rating agency, credit/liquidity provider or other third party;"
  8. "consultant reports;" and
  9. "other financial/operating data."
- (viii) 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.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### 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 with respect to the Warrants constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants;
7. Modifications to rights of Warrant holders, if material;
8. Warrant calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Warrants, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(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 two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), 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) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that

has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(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. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

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, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, 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 duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. 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 Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization

of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) 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, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure 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, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

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 [5] [an issue of] the Warrants upon the legal defeasance, prior redemption or payment in full of all of the Warrants [of such issue], 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 counsel expert in federal securities laws 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 Trustee of the Warrants, 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: _____
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[A7]  
Name of Issuer City of Daphne, Alabama  
Obligated Person(s) \_\_\_\_\_  
Name of Warrant Issue: \_\_\_\_\_  
Date of Issuance: April \_\_, 2012  
Date of Official Statement: March \_\_, 2012

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: City of Daphne, Alabama

Obligated Person: [B2] \_\_\_\_\_

Name(s) of Warrant Issue(s): General Obligation Refunding and Improvement Warrants,  
Series 2012

Date(s) of Issuance: April \_\_, 2012

Date(s) of Disclosure Agreement: [B5] \_\_\_\_\_

CUSIP Number: [B6] \_\_\_\_\_

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 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 [B7] \_\_\_\_\_].

Dated: [B8] \_\_\_\_\_

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Issuer

\_\_\_\_\_

cc: [B9]  
[B10]

EXHIBIT C-1  
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "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 event notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4] \_\_\_\_\_

\_\_\_\_ Description of Notice Events (Check One): [C5]

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
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, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Tender offers;"
13. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

\_\_\_\_ Failure to provide annual financial information as required. [C6]

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9]

EXHIBIT C-2  
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C10] \_\_\_\_\_ between the Issuer and DAC.

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 notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4] \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One): [C11]

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9] \_\_\_\_\_

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C9] \_\_\_\_\_ between the Issuer and DAC.

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 notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4] \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One): [C12]

1. \_\_\_\_\_ "quarterly/monthly financial information;"
2. \_\_\_\_\_ "change in fiscal year/timing of annual disclosure;"
3. \_\_\_\_\_ "change in accounting standard;"
4. \_\_\_\_\_ "interim/additional financial information/operating data;"
5. \_\_\_\_\_ "budget;"
6. \_\_\_\_\_ "investment/debt/financial policy;"
7. \_\_\_\_\_ "information provided to rating agency, credit/liquidity provider or other third party;"
8. \_\_\_\_\_ "consultant reports;" and
9. \_\_\_\_\_ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9] \_\_\_\_\_

**CITY OF DAPHNE, ALABAMA  
ORDINANCE NO. 2012-27**

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**Ordinance to Rezone Property Located  
Southwest of the Intersection of U.S. Highway 90 and County Road 13  
Blacksher White-Spunner, etal**

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**WHEREAS**, Blacksher White-Spunner, etal, as the owner of certain real property located within the City of Daphne, Alabama, has requested that said property be rezoned from R-3, High Density Single Family Residential District to B-1, Local Business District; and,

**WHEREAS**, said real property is southwest of the intersection of U.S. Highway 90 and County Road 13, and more particularly described as follows:

**DESCRIPTION OF PROPERTY TO BE REZONED FROM R-3 TO B-1:**

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, T4S-R2E, BALDWIN COUNTY, ALABAMA; SAID POINT BEING ON THE EAST BOUNDARY OF LAKE FOREST, UNIT 25, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 86 OF THE PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG SAID EAST BOUNDARY OF LAKE FOREST, UNIT 25, RUN N 00° 16' 26" E 468.87 FEET TO THE NORTHEAST CORNER OF SAID LAKE FOREST, UNIT 25 AND THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; SAID POINT BEING ON THE CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK; THENCE ALONG THE NORTH BOUNDARY OF SAID LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 44' 11" W 96.31 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 86° 00' 27" W 200.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 51° 06' 47" W 62.95 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 77° 39' 00" W 85.86 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 59° 41' 00" W 214.16 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 80° 14' 08" W 67.29 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 89° 25' 57" W 95.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN S 74° 28' 15" W 205.84 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 41° 02' 51" W 148.88 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 25 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 59° 59' 33" W 73.71 FEET TO THE NORTHEAST CORNER OF LAKE FOREST, UNIT 24, AS PER PLAT RECORDED IN MAP BOOK 8, PAGE 85 OF THE AFOREMENTIONED PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 40° 17' 16" W 202.35 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 51° 54' 58" W 79.42 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH BOUNDARY OF LAKE FOREST, UNIT 24 AND SAID CENTERLINE OF THE EAST PRONG OF D'OLIVE CREEK, RUN N 32° 57' 38" W 69.21 FEET TO THE SOUTHEAST CORNER OF OAK CREEK SUBDIVISION, AS PER PLAT RECORDED ON SLIDE NO. 2205-D OF SAID PROBATE COURT RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE ALONG THE EAST BOUNDARY OF SAID OAK CREEK SUBDIVISION, RUN N 00° 50' 07" W 2201.98 FEET TO THE NORTHEAST CORNER OF SAID OAK CREEK SUBDIVISION; SAID POINT BEING ON THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90; THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN N 89° 03' 35" E 65.00 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUING N 89° 03' 35" E ALONG SAID SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 90, RUN A DISTANCE OF 540.00 FEET TO A POINT; THENCE RUN S 00° 56' 25" W 275.00 FEET TO A POINT; THENCE RUN S 89° 03' 35" W 540.00 FEET TO A POINT; THENCE RUN N 00° 56' 25" E 275.00 FEET TO THE POINT OF BEGINNING. CONTAINING 148,500 SQUARE FEET OR 3.4092 ACRES.

**WHEREAS**, at the City of Daphne Planning Commission meeting on February 23, 2012 the Commission considered said request and failed to set forth a favorable recommendation to the City Council of the City of Daphne that said property be rezoned; and,

**WHEREAS**, due notice of said proposed rezoning has been provided to the public as required by law through publication and open display at the Daphne Public Library and City Hall, a public hearing was held before the City Council on April 2, 2012; and,

**WHEREAS**, the City Council of the City of Daphne after due consideration and upon consideration of the recommendation of the Planning Commission, deemed that said application for rezoning of the above described real property is proper and in the best interest of the health, safety and welfare of the citizens of the City of Daphne, Alabama; and

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

**SECTION I: ZONING**

That above described real property is hereby rezoned from R-3, High Density Single Family Residential District to B-1, Local Business District, and that the zoning ordinance and zoning map be amended to reflect the said zoning change.

**SECTION II: REPEALER.**

All other City Ordinances or parts thereof in conflict with the provisions of this Ordinance, in so far as they conflict, are hereby repealed.

**SECTION III: SEVERABILITY.**

The provisions of this Ordinance are severable. If any provision, section, paragraph, sentence, or part thereof shall be held unconstitutional or invalid, such decision shall not affect or impair the remainder of said Ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence, and part thereof separately and independently of each other.

**SECTION IV: EFFECTIVE DATE.**

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

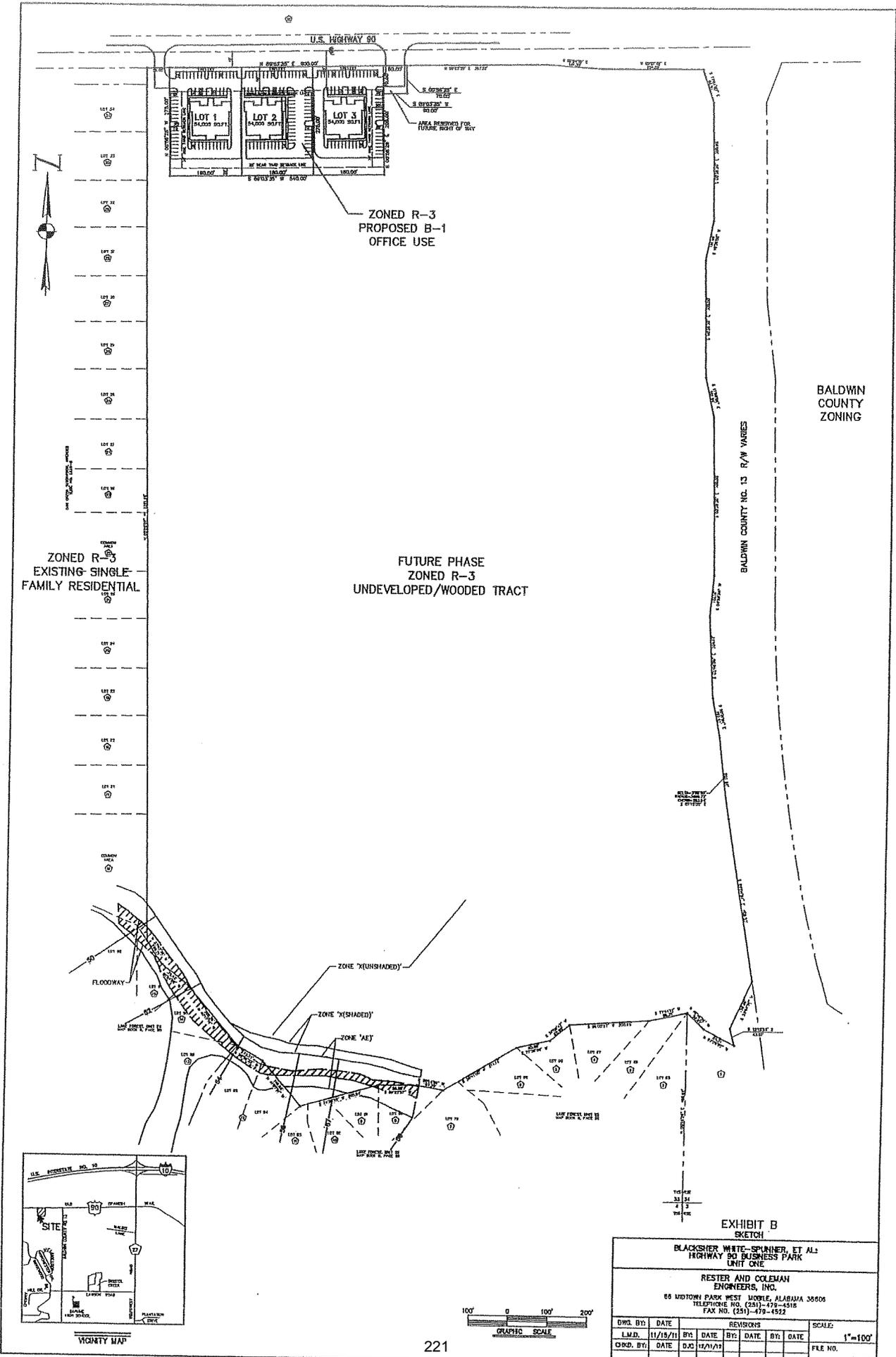
**ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS \_\_\_\_ day of \_\_\_\_\_, 2012.**

\_\_\_\_\_  
**Cathy S. Barnette,**  
**Council President**

\_\_\_\_\_  
**Bailey Yelding, Jr.,**  
**Mayor**

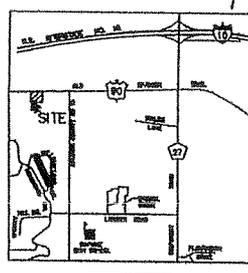
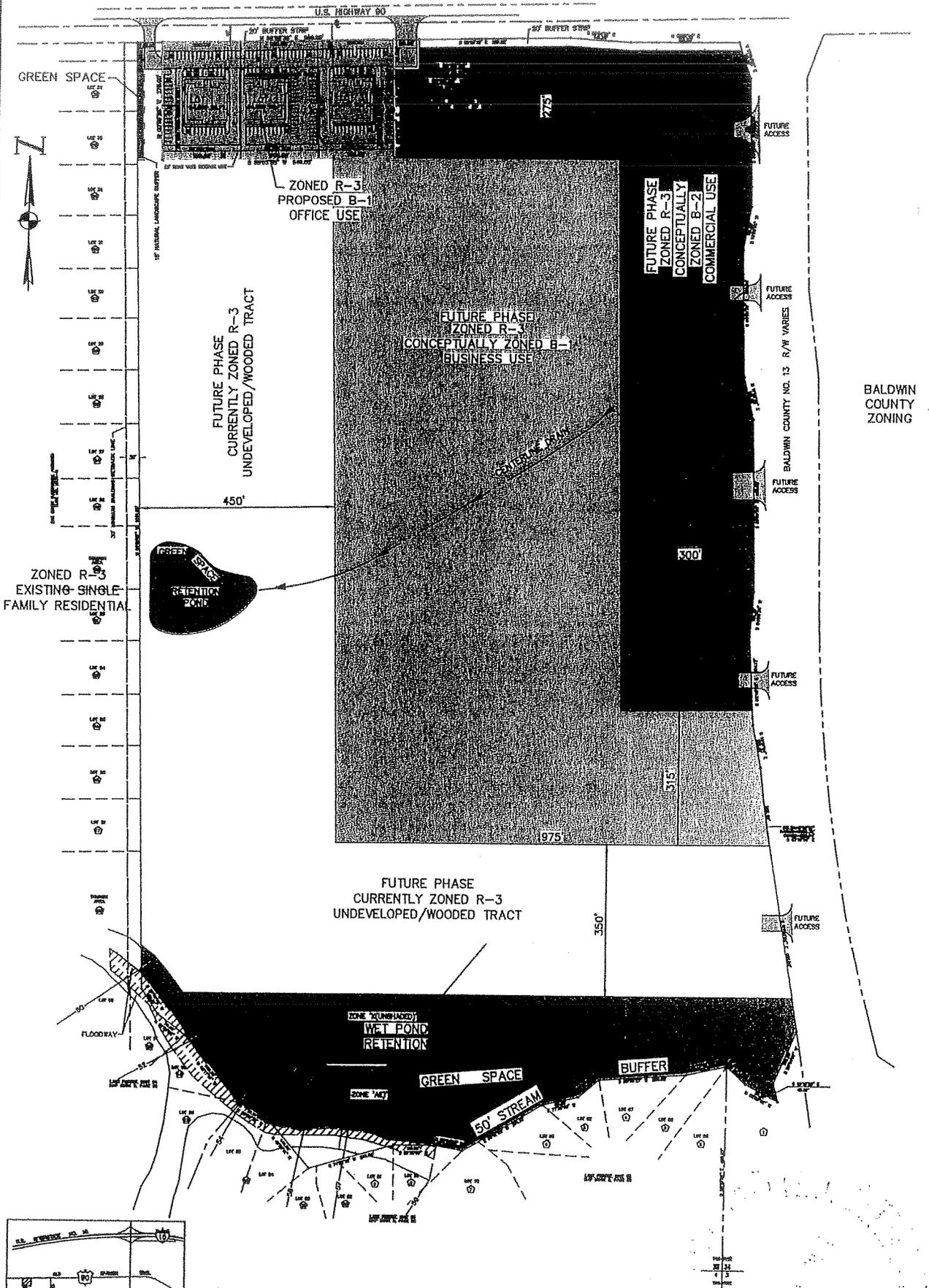
**ATTEST:**

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



**EXHIBIT B  
SKETCH**

BLACKSHER WHITE-SPINNER, ET AL: HIGHWAY 90 BUSINESS PARK UNIT ONE											
RISTER AND COLEMAN ENGINEERS, INC. 66 MOTOR PARK WEST MOBILE, ALABAMA 36606 TELEPHONE NO. (251)-479-4518 FAX NO. (251)-479-4522											
DWG. BY:	DATE:	REVISIONS				SCALE:					
L.H.D.	11/15/11	BY:	DATE:	BY:	DATE:	1"=100'					
CHKD. BY:	DATE:	D.J.C.	12/11/13								FILE NO.
											S-77



NOTE: THIS MAP IS CONCEPTUAL IN NATURE FOR CONSIDERATION IN THE ZONING OF LOTS 1, 2 AND 3 OF HIGHWAY 90 BUSINESS PARK, UNIT ONE.

222



EXHIBIT B SKETCH

BLACKSMITH WHITE-SPURNER, ET AL: HIGHWAY 90 BUSINESS PARK PHASE ONE											
RESTER AND COLEMAN ENGINEERS, INC. 68 MIDTOWN PARK WEST MOBILE, ALABAMA 36608 TELEPHONE NO. (251)-478-1998 FAX NO. (251)-478-1522											
DRG. BY:	DATE:	BY:	DATE:	BY:	DATE:	BY:	DATE:	BY:	DATE:	BY:	DATE:
D.W.	2/1/12	BY:	DATE:								
CHG. BY:	DATE:	CHG.	DATE:	CHG.	DATE:	CHG.	DATE:	CHG.	DATE:	CHG.	DATE:
											SCALE 1"=100'
											FILE NO.

**CITY OF DAPHNE**

**ORDINANCE NO. 2012- 28**

**An Ordinance adopting and enacting the 2005 Supplement Code for the City of Daphne, Alabama providing for the repeal of certain ordinances not included therein; providing a penalty for the violation thereof; providing for the manner of amending such Code; and providing when such Code and this ordinance shall become effective.**

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

SECTION 1: The Code entitled "Code of Ordinance, City of Daphne, Alabama" published by Municipal Code Corporation consisting of Chapters 1 through 20, each inclusive, is adopted; as public notice of adoption is provided in Resolution No. 2006-23 adopted the 6th day of March, 2006, as required by Code of Alabama Section 11-45-8<sup>©</sup> for the adoption of codes in book form.

SECTION 2: All ordinances of a general and permanent nature enacted on or before August 16, 1993, and not included in the Code or recognized and continued in force by reference therein, are repealed.

SECTION 3: The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

SECTION 4: Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof, shall be punished by a fine of not more than five hundred dollars (\$500.00) and imprisonment for not more than six (6) months, or both. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided shall apply to the amendment of any Code section whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City may pursue other remedies such as abatement of nuisances, injunctive relief, and revocation of licenses or permits.

SECTION 5: Additions or amendments to the Code when passed in form as to indicate the intention of the City Council to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

SECTION 6: Ordinances adopted after August 16, 1993 that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

**SECTION 7:** Severability Clause - The provisions of this ordinance and the Daphne Code of Ordinances adopted hereby are severable. In the event that any of the provisions hereof, or of the Daphne Code of Ordinances are declared invalid by a Court of competent jurisdiction, then the remaining portions shall remain in full force and effect notwithstanding such invalidity.

**SECTION 8:** This ordinance shall become effective upon publication of such notice.

**APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE,  
THIS \_\_\_\_ day of \_\_\_\_\_, 2012.**

\_\_\_\_\_  
**CATHY S. BARNETTE**  
**COUNCIL PRESIDENT**

\_\_\_\_\_  
**BAILEY YELDING, JR.,**  
**MAYOR**

**ATTEST:**

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