

**MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Montevallo City Hall
Minutes**

**Regular Meeting
June 9, 2026
1:00 p.m.**

Members Present: Trey Gauntt, Mark Richard, David King
Staff Present: Gina LeCroy (Zoom)
Others Present: Mayor Rusty Nix, City of Montevallo, Susan Hayes (Zoom)

The meeting was called to order at 1:00 p.m. by Trey Gauntt. Mr. Gauntt, Mr. King and Mr. Richard were in attendance. A notice for this meeting was posted on May 19, 2026.

Mr. Gauntt made a motion to approve the minutes of the May 4, 2026 meeting. The motion was seconded by Mr. King. The motion was approved by a vote of three (3-0), with Mr. Richard, Mr. King and Mr. Gauntt voting in favor.

Ms. Hayes stated that the Central State Bank accounts are in the process of being finalized. Once those accounts are finalized the City can then begin depositing the monthly revenues from the 90% of the 1 cent sales tax into the new Central State Bank operating account. She reported that MDCD currently has a total cash balance of \$1.5M. The monthly financial statement was distributed to all the board members.

Mr. Gauntt stated that two responses were received for the Request for Bids for a loan of \$3M to fund the Multi-Purpose Fields Project and the City's contribution to the High School Gym Project. One proposal was from Central State Bank with an interest rate of 3.6% for 180 months with a monthly payment of \$21,594.10. Trustmark Bank's bid had an interest rate of 4.2%. Mr. Gauntt presented a resolution approving the bid from Central State Bank and authorizing the MDCD to execute the required documents for the loan. Mr. King made a motion to pass the resolution. The motion was seconded by Mr. Richard. The motion was approved by a vote of three (3-0), with Mr. Richard, Mr. King and Mr. Gauntt voting in favor.

After the loan is complete Mr. Gauntt suggested making one draw from the loan with \$2M going to the School Board for the Gym Project and the other \$1M remaining in the operating account to pay the contractor for the Multi Purpose Fields Project.

Mr. Gauntt asked for the status of the hotel project. It was reported that good progress is still being made and the project is on schedule.

Mr. Gauntt stated that the Boy Scout Lodge is complete and invoices will go to Ms. Hayes as soon as they are provided by Mr. Gilbert.

Mr. Gauntt reported that the Parking Lot Project is also complete and Mr. Gilbert should have the invoices to Ms. Hayes for payment soon.

The next meeting is scheduled for Monday, July 13, 2026 at 1:00 p.m. in the Council Chambers at Montevallo City Hall. The Zoom login will be provided for the meeting.

There being no further business, Mr. Gauntt made a motion to adjourn. The motion was seconded by Mr. Richard. The motion was approved by a vote of three (3-0), with Mr. Richard, Mr. King and Chairman Gauntt voting in favor, the meeting was adjourned at 1:25 p.m.



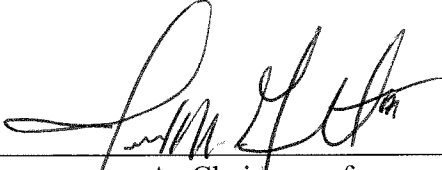
Gina LeCroy
Recording Secretary



Trey Gauntt
Montevallo Development Cooperative District

I, Fred M. Gauntt III, as Chairman of THE MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT, a public corporation, hereby certify that the attached pages numbered from 1 to 6, inclusive, together with the attached Schedule of Improvements, designated Exhibit A, and Bank Loan documents, designated Exhibit B, constitute a true and correct copy of the minutes of a special public meeting of the Board of Directors of the said Cooperative District held on June 9th, 2026, as the said minutes appear in the records of said Cooperative District.

WITNESS my signature as Chairman of the said Cooperative District, under its seal, this 9th day of June, 2026.



As Chairman of
THE MONTEVALLO DEVELOPMENT
COOPERATIVE DISTRICT

[SEAL]

**MINUTES OF A REGULAR PUBLIC MEETING OF
THE BOARD OF DIRECTORS OF THE
MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT**

The Board of Directors of The Montevallo Development Cooperative District met in regular session at City Hall in Montevallo, Alabama, on June 9th, 2026, at 1 o'clock, pm, CST. The following members of the Board of Directors were present at the meeting:

PRESENT

Fred M. Gauntt III
Mark Richard
David King

ABSENT

None

Fred M. Gauntt III, the Chairman of the Board of Directors, presided as chairman of the meeting. A quorum being present, the chairman declared the meeting open for the transaction of business.

* * * * *

The Chairman then stated that it would be appropriate to consider a resolution approving a loan to the District by Central State Bank and authorizing the issuance and delivery of the District's \$3,000,000 Bank Loan, 2026 and related matters. The following resolution was thereupon introduced in writing:

BE IT RESOLVED by the Board of Directors (herein called the "Directors") of The Montevallo Development Cooperative District (herein called the "District") as follows:

Section 1. Findings. The Directors have determined and hereby find and declare that the following facts are true and correct:

(a) The District has been formed pursuant to Chapter 99B of Title 11, Code of Alabama 1975 (the "Authorizing Act") by Shelby County, Alabama, the City of Montevallo, Alabama and the University of Montevallo (collectively, the "Authorizing Subdivisions") for the purpose of acquiring, constructing, installing various capital improvements.

(b) The City of Montevallo (the "City") has assigned to the District 90% of the revenues from a one percent (\$0.01) increase in the sales and use tax levied by the City as provided in Ordinance Number 09262011-301 adopted by the City Council of the City on September 26, 2011 (the "Pledged Revenues") in consideration for the District's agreement to provide certain capital improvements within the City.

(c) It is necessary, advisable and in the public interest that the District acquire, construct and install certain capital improvements within the City, as described on the Schedule of Improvements attached hereto as Exhibit A and by this reference made a part hereof (such capital improvements, and any others added in accordance with Section 4 hereof, being referred to as the "2026 Improvements").

(d) The total estimated cost to the District for the 2026 Improvements is not less than \$3,000,000.

(e) The District deems it necessary, desirable and in the public interest that the District borrow the funds from Central State Bank to provide for the financing of the 2026 Improvements and issue its Bank Loan, 2026 as evidence of its obligation to repay such loan.

(f) The District has not issued during calendar year 2026 and does not expect to issue during the remainder of such calendar year, any tax-exempt obligations other than the 2026 Bank Loan herein authorized. The District has determined that the City, Shelby County and the University of Montevallo, collectively, and taking into account any subordinate entities and on behalf of issuers, have not issued during calendar year 2026 and do not expect to issue during the remainder of such calendar year, in excess of \$3,000,000 in principal amount of tax-exempt obligations (other than private activity bonds).

(g) In order to provide for the application of the proceeds of such 2026 Bank Loan to the payment of the 2026 Improvements, to provide for the continued assignment by the City to the District of the Pledged Revenues, and for other purposes, it is necessary, desirable and in the public interest that the District enter into an agreement with the City.

Section 2. Authorization of Loan. In order to provide the funds needed to finance the acquisition, construction and installation of the 2026 Improvements described above and to pay costs of issuance, there is hereby authorized to be issued by the District its \$3,000,000 Bank Loan, 2026 (the "2026 Loan"). The 2026 Loan shall be dated the date of its delivery and shall be payable, bear interest, be subject to redemption and contain and be subject to the terms and conditions set forth in the form of Loan attached hereto as Exhibit B and made a part hereof.

Section 3. Source of Payment; Pledge. The principal of and interest on the 2026 Loan are payable solely out of the Pledged Revenues. The District does hereby pledge for the payment of the principal of and interest on the 2026 Loan so much as shall be necessary for the purpose of the Pledged Revenues. So long as the 2026 Loan remains outstanding the District (a)

shall enforce the provisions of the Project Agreement with the City herein authorized and (b) shall not assign or pledge any right to the Pledged Revenues unless such assignment or pledge is expressly made subordinate to the pledge thereof securing the 2026 Loan.

The 2026 Loan is not to be construed as an indebtedness or pledge of the credit of the any of the Authorizing Subdivisions, the State of Alabama or any other municipality or political subdivision other than the District. The general faith and credit of the District is not pledged to payment of the 2026 Loan and the 2026 Loan shall not be a general obligation of the District. Nothing contained in this Resolution shall ever impose any personal or pecuniary liability or charge upon the District, except with respect to the Pledged Revenues. Nothing contained in this section shall, however, relieve the District from the performance of the several covenants and representations on its part contained herein.

Section 4. Creation of Project Account; Application of Proceeds. There is hereby created a special account of the District, the full name of which shall be the "2026 Project Account." The 2026 Project 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 District will apply the moneys in the 2026 Project Account solely for payment of the costs of issuance of the 2026 Loan and the costs of the 2026 Improvements, described in Section 1(a) hereof. Central State Bank, Calera, Alabama, shall be the depository for the 2026 Project Account.

The Chairman of the Directors, or any other person designated in writing by the Directors, are hereby authorized and directed to make withdrawals from the 2026 Project Account for the purpose of paying the costs of issuance of the 2026 Loan and the costs of the 2026 Improvements, and to make any transfer that may be made pursuant to the succeeding sentence of this Section 4. The District shall have the right to supplement or revise the list of 2026 Improvements described in Section 1(c) hereof to be paid from proceeds of the 2026 Loan by resolution duly adopted by the Directors; provided, that no revisions or addition to the 2026 Improvements as herein approved shall adversely affect the excludability of interest on the Loan for federal income tax purposes.

Section 5. Registration and Transfer of the 2026 Loan. The 2026 Loan shall be registered as to both principal and interest. The 2026 Loan shall have endorsed thereon a registration certificate substantially in the form provided in the Loan, and a condition to the validity of the 2026 Loan shall be the manual execution of such certificate on behalf of the District. The Chairman of the District is hereby appointed as the Registrar and Transfer Agent for the Loan, and shall be authorized to keep at the office of the District in the City of Montevallo, Alabama, proper registry books in which it shall register the 2026 Loan, as to both principal and interest. Such registration shall conclusively designate the 2026 Loan holder as the sole person to whom or on whose order the payment of the principal of and interest on the 2026 Loan may be made. No transfer of the 2026 Loan 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.

Section 6. 2026 Loan Payable at Par. All remittances of installments of principal of and interest on the 2026 Loan shall be made at par without any deduction for exchange or other costs, fees or expenses. The bank at which the 2026 Loan shall at any time be payable shall be considered by acceptance of its duties to have agreed that it will make or cause to be made remittances of installments of principal of and interest on the 2026 Loan, out of the moneys

provided for that purpose, in bankable funds at par without any deduction for exchange or other costs, fees or expenses.

Section 7. Designation of Loan; Covenant as to Tax-Exempt Obligation. The District intends that the Loan be deemed designated as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code. In addition, the District acknowledges and agrees that the Loan is 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 and covenants and agrees that it will not in any way cause or permit the proceeds of the Loan to be used in a manner which would cause the interest on the Loan 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 Loan to be excludable from gross income of the holders thereof. The execution and delivery by the District of a Tax Certificate and Agreement evidencing the expectations of the District and providing for compliance with the applicable provisions of the Code is hereby authorized.

Section 8. Sale, Execution and Delivery of the 2026 Loan. The 2026 Loan is hereby sold and awarded to Central State Bank at and for an amount of \$3,000,000 (which amount is equal to the sum of the amount of the 2026 Loan). The 2026 Loan shall be executed in the name of the District by the manual signature of the Chairman of the Directors inscribed thereon. The official seal of the District shall be impressed thereon and shall be attested by the signature of another board member of the District. The said board members are hereby directed to cause the 2026 Loan to be executed, sealed and registered in the manner provided by this section and delivered to the purchaser thereof upon payment of the purchase price therefor.

Section 9. Authorization of Project Agreement. The execution and delivery by the District of a Project Agreement with the City is hereby authorized. Such Project Agreement shall be in substantially the form presented at the meeting at which this Resolution is adopted, subject to such minor changes as shall be approved by the Chairman or designated board member, and the execution of such Project Agreement by the Chairman or designated board member, which is hereby authorized and directed, shall be conclusive evidence of the approval of any such changes.

Section 10. Further Authorization. The Chairman and other designated board members of the District are hereby authorized to execute for and on behalf of the District such certificates, instruments and closing documents, as may be necessary or desirable to carry out the provisions of this Resolution.

Section 11. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the District and each holder of the 2026 Loan.

Section 12. Severability Provisions. The various provisions of this Resolution 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 Resolution.

Section 13. Effective Date. This Resolution shall become effective immediately upon its adoption.

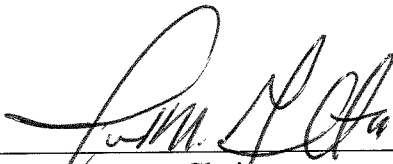
Fred M. Gauntt III moved that the foregoing resolution be adopted by the Board of Directors, which motion was seconded by David King, and upon being put to vote, the following vote was recorded:

YEAS	NAYS
Fred M. Gauntt III David King Mark Richard	None

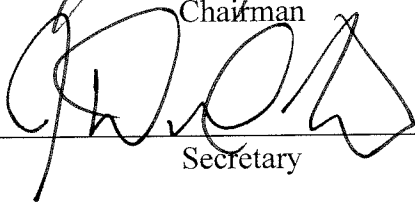
The Chairman thereupon announced that the said resolution had been adopted.

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There being no further business to come before the meeting, the same was duly adjourned.



Chairman



Secretary

EXHIBIT A

Schedule of Improvements

Improvements	Ownership	Amount for Loan	Est. Total Project Cost	Est. Completion	Description
Multi-Purpose Fields Project	Shelby County BOE Under City Lease	\$1,000,000	\$1,490,313	9/1/26	Two regulation soccer fields with sports lighting, 50 space parking lot
Montevallo High School Gym Project	Shelby County BOE Under Use Agreement / MOU with City of Montevallo	\$2,000,000	\$9,240,186	6/1/26	One regulation gym

EXHIBIT B

Final Note / Warrant Document

PROJECT DEVELOPMENT AGREEMENT

This Project Development Agreement (this “Agreement”), is entered into as of the 9th day of June, 2026 by and between the **City of Montevallo, Alabama**, an Alabama municipal corporation (the “City”), and **The Montevallo Development Cooperative District**, a public corporation under the laws of the State of Alabama (the “District”).

Recitals:

The District is a Capital Improvement Cooperative District formed pursuant to Chapter 99B of Title 11, Code of Alabama 1975 (the “Enabling Law”), having as its authorizing subdivisions the City, Shelby County, Alabama and the University of Montevallo (collectively, the “Authorizing Subdivisions”). The District was formed for the purpose of promoting economic development, tourism, education, recreation, the arts, historic preservation, livability and a healthy and active lifestyle in the Montevallo, Alabama area.

The Authorizing Subdivisions and the District have entered into a Memorandum of Agreement, executed and delivered on May 18, 2012 (the “Operating Agreement”) in order to provide for certain agreements and commitments by the parties. The District has also entered into other memoranda of agreement with the Authorizing Subdivisions, or one or more of them, to provide for the acquisition, construction and installation of individual capital projects.

The District and the Authorizing Subdivisions have identified various capital improvement projects to be undertaken by the District, listed on the Schedule of Improvements attached hereto as Exhibit A (the “2026 Schedule of Improvements”). Financing for the costs of such projects is provided by the Authorizing Subdivisions. In order to provide its share of such costs the City has agreed to assign to the District 90% of the proceeds of a one percent increase in the sales and use taxes levied by the City (the “Dedicated Tax”), as provided in Ordinance Number 09262011-301, adopted by the City Council of the City on September 26, 2011 (the “Sales Tax Ordinance”).

In order to finance the City’s portion of the costs of the Improvements pending receipt of proceeds of the Dedicated Tax, the District proposes to obtain a loan from Central State Bank (the “Bank”), in the amount of \$3,000,000 and to evidence its obligation with respect to such loan to issue its \$3,000,000 Bank Loan, (the “Loan”), payable from the revenues of the Dedicated Tax received by the District from the City (the “Pledged Revenues”). As security for the payment of the principal of and interest on the Loan the District will irrevocably pledge the Pledged Revenues to the Bank, its successors and assigns. The Loan will be issued pursuant to a Resolution (the “Authorizing Resolution”) adopted by the Board of Directors of the District on June 9, 2026.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Obligations of the District. The District shall take such actions as are necessary and appropriate to acquire, construct and install the Improvements, in accordance with the Operating Agreement and such additional agreements by and among the District and the Authorizing Subdivisions as shall be required. The District shall cooperate with the Authorizing Subdivisions in carrying out its purposes.

Section 2. Issuance of the Loan. The Bank shall issue the Loan to the District in consideration of the payment of the par amount thereof. The proceeds of the Loan shall be held in a separate Project Account and applied to the costs of the Improvements, as described in Exhibit A. The District will not supplement the list of Improvements as contained in Exhibit A, or otherwise amend or supplement the Authorizing Resolution or the Loan, without the prior written consent of the City.

Section 3. Assignment and Pledge of Dedicated Tax. As provided in the Sales Tax Ordinance and the Enabling Law, and in consideration for the services provided by the District to the City, the City has assigned to the District, and the City does hereby assign and pledge to the District, 90% of the proceeds of the Dedicated Tax. The City acknowledges that the proceeds of the Dedicated Tax are being pledged to secure the Loan and covenants and agrees that so long as the Loan is outstanding it shall not modify or rescind the Sales Tax Ordinance or reduce the percentage of the Dedicated Tax hereby assigned and pledged to the District.

Section 4. Loan holder a Third-Party Beneficiary. The Bank, and registered assigns as owners of the Loan from time to time, are and shall be third party beneficiaries of this Agreement.

Section 5. Reports; Inspection of Records. The District hereby covenants and agrees to provide to the City all such records of its business and activities as shall be requested by the City, including without limitation: (a) monthly reports showing the balance and account activity in the Project Account maintained with respect to proceeds of the Loan; (b) monthly reports of expenditures of the Dedicated Tax; and (c) copies of construction or procurement contracts with respect to the Improvements. In addition, the City shall have the right to inspect all documents and records maintained by the District at any time.

Section 6. Miscellaneous. (a) This Agreement shall be governed by the laws of the State of Alabama.

(b) If any provision in this Agreement shall be invalid, illegal or unenforceable, the remaining provisions shall remain in full force and effect and shall operate and be construed to effectuate the purposes and terms of such provisions.

(c) This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

(d) All covenants and agreements in this Agreement by the City and the District shall inure to the benefit of and be binding upon the respective successors and assigns thereof.

(e) The Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the City and the District have caused this Agreement to be executed by their duly authorized officers and the City has caused this Agreement to be attested by its City Clerk, all as of the date first above written.

CITY OF MONTEVALLO, ALABAMA

By: 
Its Mayor

Attest:


City Clerk



**THE MONTEVALLO DEVELOPMENT
COOPERATIVE DISTRICT**

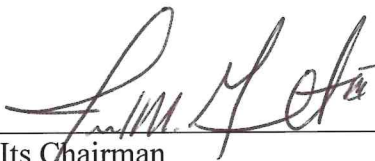
By: 
Its Chairman

EXHIBIT A

2026 Schedule of Improvements

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