



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

## November 17, 2021 AGENDA ITEM #5

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Discuss and consider approving an amendment to the interim loan agreement with Regions Commercial Equipment Finance related to the MoPac Improvement Project

Strategic Plan Relevance: Regional Mobility  
Department: Finance  
Contact: James Bass, Executive Director  
Associated Costs: Interest on loan – one-year loan maturity  
Funding Source: MoPac Improvement Project Revenues  
Action Requested: Consider and act on draft resolution

**Project Description/Background:** This action will approve the execution and delivery of an amendment to the original Secured Loan Agreement with Regions Commercial Equipment Finance, LLC (“Regions”) for the purpose of borrowing an amount not to exceed \$24,990,900 to pay costs associated with the design, engineering and construction of the MoPAC Improvement Project. The Loan will have a one year maturity. The Loan will be secured by a lien on the net revenues of the MoPAC Improvement Project.

**Previous Actions & Brief History of the Program/Project:** N/A

**Financing:** N/A

**Action requested/Staff Recommendation:** Approve and amendment to the interim loan from Regions Commercial Equipment Finance, LLC.

**Backup provided:** Draft resolution  
Form of Secured Loan Agreement  
Term sheet

GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 21-0XX

RESOLUTION APPROVING AN AMENDMENT TO A SECURED LOAN AGREEMENT WITH REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC RELATED TO THE MOPAC IMPROVEMENT PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS IN CONNECTION THEREWITH; AND ENACTING OTHER PROVISIONS RELATED THERETO

WHEREAS, pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”), the Central Texas Regional Mobility Authority (the “Authority”), is authorized to: (i) study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); (ii) impose tolls, fees, fares or other charges for the use of each of its transportation projects and the different parts or sections of each of its transportation projects; (iii) borrow money from and enter into loan agreements or other arrangements with any public or private entity for any purpose authorized by the Act, including the design, engineering and construction of a transportation project, and (iv) pledge all or any part of its revenues and any other funds available to the Authority to the payment of any obligations of the Authority under agreements authorized by the Act; and

WHEREAS, the Authority and Regions Commercial Equipment Finance, LLC (“Regions”) previously entered into that certain Secured Loan Agreement dated as of December 1, 2017 (the “Original Loan Agreement”), pursuant to which the Authority has borrowed \$24,990,900, being the full amount available to be disbursed to the Authority thereunder, for the purpose of providing funds to pay or reimburse the Authority for a portion of the costs of the design, engineering and construction of the MoPac Improvement Project; and

WHEREAS, the loan (as defined in the Original Loan Agreement, the “Loan”) made pursuant to the Original Loan Agreement is a limited obligation of the Authority, is secured solely by the “Net Revenues” (as defined in the Original Loan Agreement), and is payable from the Net Revenues and other legally available funds of the Authority, all as provided in and in accordance with the terms of the Original Loan Agreement; and

WHEREAS, pursuant to the terms of the Original Loan Agreement, the principal amount of the Loan is due in full on December 1, 2021 (as defined in the Original Loan Agreement, the “Stated Maturity Date”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) has been presented with a First Amendment to Secured Loan Agreement (the “First Amendment”), between the Authority and Regions, for the purpose of extending the Stated Maturity

Date of the Loan and amending certain other provisions of the Original Loan Agreement, all as set forth in the First Amendment (the Original Loan Agreement, as amended by the First Amendment, and as it may be further amended from time to time, is referred to herein as the “Loan Agreement”); and

WHEREAS, pursuant to its terms, any amendment to the Original Loan Agreement will be effective if it is in writing and signed by the Authority and Regions; and

WHEREAS, it is hereby found and determined that the meeting at which this Resolution is approved is open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY THAT:

Section 1. Findings. The findings and determinations contained in the preambles hereof are hereby incorporated herein for all purposes as if set forth herein in their entirety.

Section .2 Approval of First Amendment. The form, terms and provisions of the First Amendment, in the substantially final form presented at this meeting, are hereby approved, with such changes as may be approved by the officer executing such First Amendment, such approval to be evidenced by the execution thereof. The Chairman and Vice Chairman of the Board and the Executive Director of the Authority are hereby authorized, and each of them singly and individually, to execute the First Amendment and the amended promissory note (in the form attached to the First Amendment, the “Note”) on behalf of the Authority. The signature of such officer executing the First Amendment and the Note shall be attested by the Secretary or the Treasurer of the Board.

Section 3. Confirmation of Pledge of Net Revenues. The Board hereby ratifies and confirms the pledge of the Net Revenues as security for the payment of the Loan in accordance with the terms and provisions of the Loan Agreement.

Section 4. Authority’s Obligations Under Loan Agreement. The Authority’s obligations under the Loan Agreement, including its obligations to pay interest on and principal of the Loan, shall be as set forth in the Loan Agreement.

Section 5. Appointment of Authorized Officers. The Board hereby appoints the Chairman, Vice Chairman, Secretary and Treasurer of the Board, and the Executive Director, the Chief Financial Officer and the Controller of the Authority, and each of them singly and individually, to act in the capacity of “Authorized Officer” under the Loan Agreement and to execute and deliver such instruments, certificates and documents

as may be required from time to time to be delivered under or in connection with the Loan Agreement, the Loan and the Note.

Section 6. Further Actions. The Authorized Officers and staff of the Authority, and its professional consultants, are hereby authorized and directed to take any and all actions and to execute and deliver any and all instruments and documents as may be necessary or desirable to carry out and effectuate the purposes of this Resolution and the Loan Agreement.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 17<sup>th</sup> day of November 2021.

Submitted and reviewed by:

Approved:

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James Bass, Executive Director

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Robert W. Jenkins, Jr.  
Chairman, Board of Directors

## FIRST AMENDMENT TO SECURED LOAN AGREEMENT

THIS FIRST AMENDMENT TO SECURED LOAN AGREEMENT (this “Amendment”) dated as of November 30, 2021, is made by and between the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY (the “Authority”), a regional mobility authority and a political subdivision of the State of Texas (the “State”), and REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC, an Alabama limited liability corporation and its successors and assigns (the “Lender”).

### RECITALS:

A. The Lender and the Authority entered into that certain Secured Loan Agreement dated as of December 1, 2017 (the “Original Agreement”).

B. The Authority has requested that the Lender amend the Original Agreement. The Lender has agreed to do so, subject to the terms and conditions contained herein.

C. The Authority and the Lender now desire to enter into this Amendment on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### Article 1 General Terms

Section 1.1 Terms Defined in Original Agreement. As used in this Amendment, except as may otherwise be provided herein, all capitalized terms which are defined in the Original Agreement have the same meaning herein as therein, all of such terms and their definitions being incorporated herein by reference.

Section 1.2 Confirmation and Extent of Changes. All terms which are defined or referred to in the Original Agreement shall remain unchanged except as otherwise specifically provided in this Amendment. The Original Agreement, as amended by this Amendment and as it may be further amended, restated, renewed, extended and/or otherwise modified in accordance with its terms, is referred to herein as the “Agreement.”

Section 1.3 Confirmation of Loan Amount; No Additional Loan Disbursements; Interest Rate. The Authority and the Lender acknowledge and agree that the Outstanding Principal Amount of the Loan, as of the date of this Amendment, is equal to the Maximum Principal Amount (being \$24,990,900), and, accordingly, (i) the Authority is not authorized to request, and the Lender is not obligated to pay, any additional Loan Disbursements pursuant to the Agreement, (ii) the Authority is not obligated to pay, and the Lender is not entitled to receive, any “unused fee” related to any undrawn balance of the Maximum Principal Amount pursuant to Section 3.3 of the Original Agreement, and (iii) the Outstanding Principal Amount, as of the date of this Amendment, shall bear interest at the Interest Rate (defined below) as set forth in this Amendment.

Article 2  
Amendments to the Original Agreement

Section 2.1 Amendment to Section 2.1.

- a) The following definitions in Section 2.1 of the Original Agreement are hereby deleted in their entirety and the following definitions are substituted therefor:

“Applicable Spread” is 1.17%.

“Interest Payment Date” shall mean (1) the first day of each calendar month, commencing January 1, 2022, (ii) each date on which all or a portion of the Outstanding Principal Amount of the Loan is prepaid pursuant to Section 3.7, and (iii) the Stated Maturity Date.

“Interest Rate” shall mean, with respect to each Loan Disbursement, a per annum rate equal to the BSBY Rate plus the Applicable Spread; provided, however, the Interest Rate shall never exceed the Highest Lawful Rate. The Interest Rate shall be rounded up to the 4th decimal place.

“Note” shall mean the Amended and Restated Promissory Note in substantially the form attached hereto as Exhibit C.

“Stated Maturity Date” shall mean December 1, 2022.

- b) The following definitions are hereby added to Section 2.1 of the Original Agreement:

“BSBY Rate” shall mean, with respect to any Interest Period, that rate of interest per annum which equals the BSBY Screen Rate that is two (2) SIFMA Business Days preceding the first day of such Interest Period; provided that if the rate is not published on such determination date then BSBY Rate means the BSBY Screen Rate on the first SIFMA Business Day immediately prior thereto on which such rate is so published, subject to any corrections published by Bloomberg Index Services Limited (or any successor administrator).

“BSBY Screen Rate” shall mean the U.S. Dollar wholesale funding rate known as the Bloomberg Short-Term Bank Yield Index for a term of 1 month administered by Bloomberg Index Services Limited (or any successor administrator) and published on the applicable Bloomberg screen page (or by such successor administrator or such other commercially available source providing such quotations as may be designated by the Lender in its sole discretion from time to time). In any event, the BSBY Rate will not be less than zero percent (0%) per annum.

“Interest Period” means each monthly period commencing on the first day of each calendar month and ending on the last day of each such calendar month; provided the first Interest Period shall commence on December 1, 2021.

“SIFMA Business Day” means any day that is not (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that

the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

- c) The following definitions in Section 2.1 of the Original Agreement are hereby deleted in their entirety:

“Applicable Rate Period”

“LIBOR Business Day”

“LIBOR Rate”

“Reset Date”

Section 2.2 Amendment to Section 3.4(a). Section 3.4(a) of the Original Agreement is hereby deleted in its entirety and the following is substituted therefor:

(a) Interest with respect to each Loan Disbursement shall accrue at the Interest Rate from December 1, 2021 and continue until the Loan is repaid; provided, however, if an Event of Default specified in Section 9.1 has occurred and is continuing, interest with respect to the Outstanding Principal Amount, or any portion thereof, shall accrue at the Default Rate as provided in Section 9.3. Interest Payments shall be due on the Interest Payment Dates. Interest shall be calculated on the basis of the actual number of days elapsed in a 364/365-day year.

Section 2.3 Amendment to Section 3.7. The first sentence of Section 3.7 of the Original Agreement is hereby deleted in its entirety and the following is substituted therefor:

The Outstanding Principal Amount is subject to prepayment, at the option of the Authority, in whole or in part, on any Business Day, at a price equal to the principal amount being prepaid plus accrued but unpaid interest thereon to the prepayment date.

Section 2.4 Amendment to Section 12.21. Section 12.21 of the Original Agreement is hereby deleted in its entirety and the following is substituted therefor:

12.21. Compliance with Texas Government Code.

(a) The Lender hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent the Agreement is a contract for goods or services, will not boycott Israel during the term of the Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Lender understands

“affiliate” to mean an entity that controls, is controlled by, or is under common control with the Lender and exists to make a profit.

(b) The Lender represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,  
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Lender and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Lender understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Lender and exists to make a profit.

(c) To the extent the Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Lender hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of the Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Lender understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Lender and exists to make a profit.

(d) To the extent the Agreement constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, “SB 19”), as amended, the Lender hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code



does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Lender understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Lender and exists to make a profit.

Section 2.5. Amendment to Section 12.22. Section 12.22 of the Original Agreement is hereby deleted in its entirety.

Section 2.6. Amendment to Section 12.23. Section 12.23 of the Original Agreement is now renumbered as Section 12.22.

Section 2.7. Amendment to Section 12.24. Section 12.24 of the Original Agreement is hereby deleted in its entirety.

Section 2.8. Amendment and Restatement of Exhibit C. Exhibit C of the Original Agreement is hereby amended and restated as provided in Exhibit A attached hereto.

### Article 3 Representations and Warranties

In order to induce the Lender to enter into this Amendment, the Authority represents and warrants (which representations and warranties will survive the execution and delivery hereof and will be deemed for all purposes to be additional representations and warranties of the Agreement) that:

Section 3.1 Representations and Warranties of the Original Agreement. The representations and warranties of the Authority contained in the Original Agreement were true and correct when made, and are true and correct in all material respects at and as of the time of delivery of this Amendment, except for such changes in the facts represented and warranted as are not in violation of the Agreement.

Section 3.2 Compliance with Obligations. The Authority has performed and complied with all agreements and conditions contained in the Original Agreement required to be performed or complied with by the Authority prior to or at the time of delivery of this Amendment.

Section 3.3 Defaults. There exists, and after giving effect to this Amendment, will exist, no default or Event of Default, or any condition, or act which constitutes, or with notice or lapse of time (or both) would constitute an event of default under any loan agreement, note agreement, or trust indenture to which the Authority is a party.

Section 3.4 Corporate Action. The execution, delivery and performance of this Amendment and any and all other loan documents executed and/or delivered in connection herewith have been authorized by all requisite corporate action on the part of Authority and will not violate the articles of incorporation or bylaws of Authority.

Section 3.5 No Amendments. Nothing in Article 3 of this Amendment is intended to amend any of the representations or warranties of the Agreement.

Article 4  
Miscellaneous

Section 4.1 Loan Documents. The Agreement and such other documents and instruments executed and delivered by the Authority in connection with the Loan (collectively, the “Loan Documents”) shall secure the indebtedness and obligations previously secured by the Agreement and the Loan Documents, as such indebtedness and obligations are affected by this Amendment, whether or not the Agreement and the Loan Documents shall be expressly amended or supplemented in connection with this Amendment.

Section 4.2 Extent of Amendments. Except as otherwise expressly provided herein, the Agreement and the Loan Documents are not amended, modified or affected by this Amendment.

Section 4.3 Effective Date; Cancellation and Return of Original Promissory Note. The effective date of all provisions of this Amendment shall be November 30, 2021. As soon as reasonably practicable following such effective date of this Amendment and the Lender’s receipt of an originally-executed Amended and Restated Promissory Note in substantially the form of Exhibit A to this Amendment (which is defined in the Agreement as the “Note”), the original promissory note executed and delivered by the Authority in connection with the Original Agreement and dated as of December 1, 2017 (the “Original Promissory Note”), shall be stamped or marked “cancelled” by the Lender and shall be returned by the Lender to the Authority as directed in writing by the Authority. Notwithstanding the foregoing, upon the Authority’s execution and delivery of the Note to the Lender, the Original Promissory Note shall be deemed to be cancelled and shall be of no further force and effect.

Section 4.4 Titles of Articles; Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Amendment are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections, or other divisions, such other content being controlling as to the Agreement between the parties hereto.

Section 4.5 Counterparts. This Amendment may be executed in any number of counterparts. It will not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.6 Fees and Expenses. The Authority hereby agrees to pay all costs and expenses of the Authority incurred in connection herewith, including but without limitation the reasonable fees and expenses of the Lender’s legal counsel, in an amount not to exceed \$5,000.00.

Section 4.7 ENTIRE AGREEMENT. The Original Agreement, as amended by this Amendment, and the corresponding Note embodies the entire agreement among the parties regarding the subject matter hereof and thereof and supersede all prior agreements and understandings, if any, relating to the subject matter hereof and thereof. **WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE ORIGINAL AGREEMENT, AS AMENDED BY THIS AMENDMENT, AND THE CORRESPONDING NOTE REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND**

THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES; AND THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first written above.

CENTRAL TEXAS REGIONAL MOBILITY  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary  
Central Texas Regional Mobility Authority

REGIONS COMMERCIAL EQUIPMENT  
FINANCE, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**EXHIBIT C**

**AMENDED AND RESTATED PROMISSORY NOTE**

REFERENCE IS MADE TO THAT CERTAIN PROMISSORY NOTE EXECUTED AND DELIVERED BY THE AUTHORITY AND DATED AS OF DECEMBER 1, 2017 (THE “ORIGINAL PROMISSORY NOTE”) IN CONNECTION WITH THAT CERTAIN SECURED LOAN AGREEMENT DATED AS OF DECEMBER 1, 2017, BETWEEN THE AUTHORITY AND THE LENDER. THIS AMENDED AND RESTATED PROMISSORY NOTE (THIS “NOTE”) AMENDS AND RESTATES THE ORIGINAL PROMISSORY NOTE. UPON THE AUTHORITY’S EXECUTION AND DELIVERY OF THIS NOTE TO THE LENDER, THE ORIGINAL PROMISSORY NOTE SHALL BE DEEMED TO BE CANCELLED AND SHALL BE OF NO FURTHER FORCE AND EFFECT.

THIS NOTE IS SECURED BY THE NET REVENUES UNDER AND AS DEFINED IN THE SECURED LOAN AGREEMENT BETWEEN THE AUTHORITY AND THE LENDER. THE OBLIGATION OF THE AUTHORITY TO PAY THIS NOTE IS AN UNSECURED OBLIGATION OF THE AUTHORITY PAYABLE FROM ANY LEGALLY AVAILABLE FUNDS OF THE AUTHORITY. THIS NOTE IS NOT AN OBLIGATION OF THE STATE, ANY COUNTY OR ANY OTHER GOVERNMENTAL ENTITY AND IS NOT PAYABLE EXCEPT AS PROVIDED IN THE SECURED LOAN AGREEMENT.

**Principal Amount: \$24,990,900**

**November 30, 2021**

**FOR VALUE RECEIVED, THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY** (the “Authority”), does hereby promise to pay to the order of **REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC** (the “Lender”), on or before December 1, 2022 in lawful money of the United States of America, the Principal Amount set forth above in accordance with the terms of the Secured Loan Agreement dated as of December 1, 2017, as amended, between the Authority and the Lender (the “Loan Agreement”). The Authority also will pay interest on the unpaid principal balance outstanding from time to time at a rate and at such times as set forth in the Loan Agreement, until the earlier of the maturity or prepayment hereof. The Authority may prepay the unpaid principal balance outstanding at any time in accordance with the terms of the Loan Agreement.

Notwithstanding any other provisions of this Note, interest payable on this Note, together with any other costs, consideration, or payments in the nature of and constituting interest under applicable law (whether denominated as interest or as any other type of payment hereunder or thereunder, respectively) shall not exceed, and shall automatically be reduced to, the maximum amount or rate of interest permitted by applicable law as from time to time in effect (the “Highest Lawful Rate”); and all such costs, consideration, and payments constituting interest shall be pro-rated, spread, and allocated, to the fullest extent permitted by applicable law, to such periods and loan amounts as will cause the money so paid or received to conform to and comply with applicable law and the Highest Lawful Rate.

All sums paid hereon shall be applied first to the satisfaction of interest, and then the balance to the unpaid principal amount of this Note.

**THIS NOTE** is referred to in the Loan Agreement as the “Note,” and is subject to all of the terms, conditions, and provisions thereof, including but without limitation those respecting the prepayment and the acceleration of maturity hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

*[Signature Page to Follow]*

**THIS NOTE** is a contract made under and shall be construed in accordance with and governed by the laws of the State of Texas, without regard to such state's conflicts of laws principles.

CENTRAL TEXAS REGIONAL MOBILITY  
AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

ATTEST:

\_\_\_\_\_  
Secretary  
Central Texas Regional Mobility Authority



# REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

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November 12, 2021

James Bass  
Central Texas Regional Mobility Authority  
3300 N IH-35, Suite 300  
Austin, Texas 78705

**Reference:** Up to \$24,990,900 Taxable Draw Down Term Loan to be evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument")

Dear Mr. Bass:

Regions Commercial Equipment Finance, LLC (the "Lender") is pleased to furnish this Term Sheet (this "Term Sheet") to Central Texas Regional Mobility Authority (the "Borrower") for a \$24,990,900 Taxable Draw Down Loan (the "Loan") for the purposes set forth below. We understand that the Borrower intends to close the Loan on or before December 1, 2021 (the "Anticipated Closing Date").

This term sheet contains an outline of suggested terms only, and it does not represent a commitment by Lender or create any obligation whatsoever on Lender's part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate lending authorities within Regions Commercial Equipment Finance, LLC.

Below you will find the proposed set of terms and conditions associated with this Term Sheet:

**Borrower:** Central Texas Regional Mobility Authority

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**Lender:** Regions Commercial Equipment Finance, LLC

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**Role of Lender:** The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Term Sheet and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Term Sheet, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Term Sheet or any such other information, materials or communications.

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**Privately Negotiated Loan:** The Borrower acknowledges and agrees that the Lender is purchasing the Note in evidence of a privately negotiated loan and in that connection the Note shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

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**Purpose:** The proceeds of the Loan will be used to renew the existing 2017 draw down term loan with Regions Commercial Equipment Finance Corporation, LLC (collectively, the "Project").

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# REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

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**Loan Amount:** Up to \$24,990,900

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**Structure:** Draw Down Loan evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument"); The loan is currently fully drawn with no remaining availability.

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**Interest Rate:** The Loan is a Taxable Loan.

The Loan will bear interest at a variable rate per annum equal to a minimum of 30-Day BSBY, plus (b) 117 basis points. During the term of the Loan, the variable rate will adjust monthly according to changes in 30-Day BSBY. If determined as an indicative rate on November 12, 2021 the variable rate would be 1.23%. This rate is offered for illustrative purposes only and does not constitute a commitment by the Lender to lend at the indicative rate. The actual initial variable rate for the Loan may be higher or lower depending on market conditions at the time the Loan is closed. The variable interest rate on this Loan is subject to change from time to time based on changes in an independent index which is the Libor index for the applicable Interest Period, (the "Index"). The Index is not necessarily the lowest rate charged by the Lender on its loans. In the event that Lender shall have reasonably determined (which determination shall be conclusive absent manifest error) that, by reason of circumstances beyond Lender's reasonable control affecting the Index, the Index is unavailable or cannot be determined then Lender, in its sole discretion, will designate a substitute index and provide notice to Borrower of such substitute index. Thereafter, such alternate index shall be deemed to be and shall become the Index as that term is used in this Term sheet.

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**Default Rate:** The interest rate otherwise applicable to the Debt Instrument plus 3.00%.

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**Repayment:** Interest will be payable monthly (calculated on the basis of a year of 365 days for the actual number of days elapsed) on the first (1st) calendar day of each month commencing January 1, 2022. All outstanding principal will be payable at maturity. All payments are due on the same calendar day of the month.

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**Maturity Date:** The earlier of (i) 1 year and (ii) December 1, 2022. Maturity date must fall on a payment due date.

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**Prepayment:** The Borrower may prepay any part of the principal balance of this Note. The Borrower's notice of its intent to prepay shall be irrevocable.

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**Facility Fee:** No Origination fee.

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**Other Fees, Costs and Expenses:** The Borrower will be responsible for all out-of-pocket fees, costs and expenses of the Lender (including, without limitation, counsel fees and expenses and costs associated with lien searches, and recordation) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Loan Documents. In consideration of the undertakings of the Lender hereunder, and recognizing that in connection herewith the Lender will be incurring such fees, costs and expenses, the Borrower agrees to reimburse the Lender for all such fees, costs and expenses, regardless of whether, or to what extent, any of the transactions contemplated hereby are consummated. Borrower to be responsible for lender legal counsel fees, estimated at \$5,000.

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**Increased Costs and Capital Adequacy:** The Lender shall have the right to require, in its sole discretion and at its sole option, additional payments by the Borrower in order to maintain the same yield on the Debt Instrument if the Lender determines in its sole discretion that the adoption or taking effect of, or the change (including by interpretation or application) of, any laws, regulations, rules, guidelines, directives or treaties (except for changes to the tax rate on the overall net income of the Lender), whether or not having the force of law, adversely affects the Lender's yield, regardless of the date adopted, enacted or issued.

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# REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

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**Security:** All amounts payable to the Lender and/or any of its affiliates in connection with the Loan will be an unconditional, irrevocable and absolute unsecured obligation of the Borrower, payable from any legally available funds of the Borrower.

The Lender will also have a senior secured lien on net revenues of the MOPAC System.

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**Representations and Warranties:** Usual and customary for this type of financing.

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**Covenants:** Usual and customary for this type of financing, including but not limited to all covenants that currently exist in the loan agreement dated December 1, 2017 between the Borrower and the Lender, including the following:

- (1) The Borrower shall deliver to the Lender each of the following, in form and substance satisfactory to the Lender:
    - (i) audited financial statements within 180 days after the end of each of the Borrower's fiscal years;
    - (ii) Borrower shall, no later than 30 days following the end of each month post on its website monthly financial statements;
  - (2) The Borrower shall achieve and observe certain financial covenants to include, without limitation, the following:
    - (i) Borrower will at all times budget and collect rates for services rendered by the MOPAC system reasonably estimated to produce Net Revenues in an amount equal to 120% principal and interest on all outstanding senior lien debt for each year. In the event the 120% rate covenant is not met at the end of any fiscal year end of the Borrower, the Borrower will engage a traffic & revenue consultant and implement such consultant's recommendations of the following fiscal year. Failure maintain the rate covenant for two consecutive fiscal years shall constitute an event of default. If the Borrower shall become legally liable for any other indebtedness payable from the Revenues, the Borrower will fix and maintain rates and collect charges for the services of the System sufficient to discharge such indebtedness.
    - (ii) The Borrower reserves the right with prior written consent of the Lender, to issue or incur additional debt payable from and secured by Net Revenues, on parity with or subordinate to this loan, subject to and in accordance with the Interlocal Agreement.
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**Defaults:** Usual and customary for this type of financing.

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**Remedies:** The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof.

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# REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

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**Legal Opinions:** As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

(i) an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Texas to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms.

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**Transfer Provisions:** The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender.

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**Disclaimer:** This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

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**US Patriot Act:** The Borrower represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Borrower further represents and warrants to the Lender that the Borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

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**Confidentiality:** The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein CONFIDENTIAL. The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

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**Waiver of Jury Trial:** To the extent permitted by applicable law, each of the Borrower and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Borrower and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Loan Documents.

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**Governing Law:** State of Texas

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Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through November 19, 2021. After such date, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender's sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

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# REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

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## EXHIBIT A

In the event Borrower requests Lender to move forward with the approval process after discussion of the aforementioned terms and conditions contained in the Term Sheet, Borrower agrees to reimburse Lender on demand for all out of pocket expenses incurred by Lender if the transaction fails to close for any reason other than Lender's decision not to approve the transaction. Such expenses shall include, but not be limited to, legal expenses incurred by Lender.

### **ACCEPTANCE:**

Borrower does hereby agree to all provisions contained in Exhibit A.

Borrower Signature:

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_