



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

November 8, 2017  
**AGENDA ITEM #7**

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Approve an interim loan from Regions  
Commercial Equipment Finance, LLC for the  
settlement related to the MoPac  
Improvement project

Strategic Plan Relevance: Regional Mobility  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: Interest on loan varies based on draw schedule – four-  
year loan maturity  
Funding Source: MoPac Improvement Project Revenues  
Action Requested: Consider and act on draft resolution

Summary:

This action will approve the execution and delivery of a 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 four year maturity and will bear interest at a variable rate determined at the time of each draw. The Loan will be secured by a lien on the net revenues of the MoPAC Improvement Project. The Authority solicited interest from and received responses from three banking institutions for the Loan. After a review of the responses, Regions was selected as the best proposal for the Authority.

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. 17-0XX**

**APPROVING AN INTERIM LOAN FROM REGIONS COMMERCIAL  
EQUIPMENT FINANCE, LLC FOR THE SETTLEMENT RELATED TO THE  
MOPAC IMPROVEMENT PROJECT**

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 Board of Directors (the “Board”) of the Authority has heretofore authorized the Authority to proceed with the design, engineering and construction of the Transportation Project (as defined below), and the Authority has incurred expenses relating thereto; and

WHEREAS, Regions Commercial Equipment Finance, LLC (“Regions”) is willing to loan monies to the Authority in an aggregate principal amount not to exceed \$24,990,900, on the terms set forth in a secured loan agreement (the “Loan Agreement”), between Regions and the Authority, 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 (as defined in the Loan Agreement, the “Transportation Project”); and

WHEREAS, the loan (as defined in the Loan Agreement, the “Loan”), made pursuant to the Loan Agreement shall be a limited obligation of the Authority, secured solely by the “Net Revenues” (as defined in the Loan Agreement), and 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 Loan Agreement; and

WHEREAS, the Board has determined to pledge the Net Revenues as security for the repayment of the Loan; 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 Borrowing. The Board hereby authorizes the borrowing by the Authority of \$24,990,900 from Regions for the purpose of providing funds for the Transportation Project.

Section 3. Approval of the Loan Agreement. The form, terms and provisions of the Loan Agreement, evidencing the obligation of the Authority to repay the Loan, in the substantially final form presented at this meeting, are hereby approved, with such changes as may be approved by the officer executing such Loan Agreement, 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 Loan Agreement and the promissory note (as defined in and in the form attached to the Loan Agreement, the "Note") on behalf of the Authority. The signature of such officer executing the Loan Agreement and the Note shall be attested by the Secretary or the Treasurer of the Board.

Section 4. Pledge of Net Revenues. The Board hereby pledges the Net Revenues as security for the payment of the Loan in accordance with the terms and provisions of the Loan Agreement.

Section 5. 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 6. 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 a request for the disbursement of the Loan and such other 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 7. 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 8. 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 8<sup>th</sup> day of November 2017.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Ray A. Wilkerson  
Chairman, Board of Directors

**SECURED LOAN AGREEMENT**

**By and Between**

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**and**

**REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC.**

**dated as of November \_\_\_, 2017**

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## **SECURED LOAN AGREEMENT**

THIS SECURED LOAN AGREEMENT (this “Loan Agreement” or “Agreement”), dated as of November \_\_, 2017, 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 (the “Bank”). Capitalized terms set forth in the preamble and recitals are defined in Article II of this Agreement.

### RECITALS

WHEREAS, the Authority has been created and organized pursuant to and in accordance with the provisions of Chapter 361, Texas Transportation Code, as amended, and operates pursuant to the Constitution and laws of the State, including, particularly, Chapter 370, Texas Transportation Code, as amended (the “Act”), for the purposes of constructing, maintaining and operating transportation projects in Travis and Williamson Counties, Texas; and

WHEREAS, pursuant to the Act, 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); and (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; and (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 has heretofore incurred and paid the costs of the Transportation Project, as described herein, and hereafter will incur additional costs of the Transportation Project; and

WHEREAS, the Authority has determined to enter into this Loan Agreement for the purpose of providing funds to (i) reimburse the Authority for expenditures made by it to pay for a portion of the costs of the Transportation Project and (ii) pay additional costs of the Transportation Project; and

WHEREAS, the Bank is willing to loan monies to the Authority in an aggregate principal amount not to exceed \$24,990,900, on the terms set forth in this Loan Agreement for such purposes; and

WHEREAS, the Note (defined herein) will be secured solely by a senior lien pledge of the Net Revenues; and, in addition, the obligation of the Authority to pay the Note and other obligations under the Loan Agreement shall be an unsecured obligation of the Authority payable from any legally available funds of the Authority;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Bank hereby agree as follows:

## ARTICLE I

### FINDINGS AND DETERMINATIONS

The declarations, determinations and findings declared, made and found in the preamble and recitals to this Loan Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

## ARTICLE II

### DEFINITIONS AND INTERPRETATIONS

2.1 Defined Terms. For purposes of this Loan Agreement, in addition to the terms defined elsewhere in this Loan Agreement, the following terms shall have the meanings set forth below:

“Act” shall mean Chapter 370 of the Texas Transportation Code.

“Affiliate” means with respect to a Person, any Person (whether for-profit or not-for-profit), that “controls,” or is “controlled” by, or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise. Without limiting the generality of the foregoing, a Person shall be deemed to be “controlled” by another Person if such other Person possesses, directly or indirectly, power to vote 50% or more the securities having ordinary voting power for the election of directors or the equivalent.

“Agreement” or “this Agreement” or “Loan Agreement” shall mean this Loan Agreement and any amendments, modifications and supplements hereto, any replacements, renewals, extensions and restatements hereof, and any substitutes herefor, in whole or in part, and all schedules and exhibits hereto, and shall refer to this Loan Agreement as the same may be in effect at the time such reference becomes operative.

“Annual Debt Service” shall have the meaning given to such term in Section 6.1(p).

“Applicable Rate Period” shall mean with respect to each Loan Disbursement a period commencing on either the Settlement Date or a Reset Date and, in each case, ending on the date one month, three months, six months or one year thereafter; provided that: (i) the Applicable Rate Period must commence on a Business Day; (ii) the last day for the Applicable Rate Period and the actual number of days during the Applicable Rate Period shall be determined by the Bank using the practices of the London interbank market (or, in the event the LIBOR Rate is no longer published, the market practices relating to the comparable or successor rate as determined according to this Loan Agreement); (iii) the Applicable Rate Period shall not extend beyond the Expiration Date and (iv) the duration of the Applicable Rate Period for a Loan Disbursement may be adjusted on any Reset Date.

“Applicable Spread” is 1.44%.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Authority from time to time concerning or relating to bribery or corruption.

“Authority” shall mean the Central Texas Regional Mobility Authority, a regional mobility authority created and organized pursuant to and in accordance with the provisions of Chapter 361, Texas Transportation Code, and operating pursuant to the Act.

“Authorized Officer” shall mean the Chairman, Vice Chairman, Secretary/Treasurer, the Executive Director, the Chief Financial Officer, or Controller of the Authority and any other officer or employee of the Authority designated in writing and authorized by the Board to take the action specified herein.

“Bank” shall mean Regions Commercial Equipment Finance, LLC.

“Board” shall mean the Board of Directors of the Authority.

“Business Day” shall mean any day which is not a Saturday, Sunday, a legal holiday or a day on which commercial banks in the State are required or authorized by law or executive order to be closed.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Closing Date” shall mean the date the conditions set forth in Section 3.2 hereof are met.

“Default Rate” shall mean, for any day, the Interest Rate then in effect plus 3.00% per annum, provided, however, the Default Rate shall never exceed the Highest Lawful Rate. Interest at the Default Rate shall be calculated on the basis of the actual number of days elapsed in a 364/365-day year.

“Event of Default” shall have the meaning specified in Article IX hereof.

“Expiration Date” shall mean the first to occur of (i) December 1, 2021 or (ii) the occurrence of an Event of Default.

“Financial Assistance Agreement” shall mean that certain Financial Assistance Agreement between the Authority and the Texas Department of Transportation effective as of September 13,

2012, providing for the financing of the Transportation Project herein defined, a copy of which is attached hereto as Exhibit D.

“General Fund” shall mean the MOPAC General Fund established in Section 5.1.

“Governmental Authority” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (the Federal Deposit Insurance Corporation or the Federal Reserve Council, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“Highest Lawful Rate” shall mean the highest lawful rate permitted under Chapter 1204, Texas Government Code, as amended.

“Interlocal Agreement” shall mean that certain Interlocal Agreement between the Authority and the Capital Area Metropolitan Planning Organization effective as of June 27, 2012, a copy of which is attached hereto as Exhibit E.

“Interest Payment” shall mean each of the payments of accrued and unpaid interest payable under this Loan Agreement.

“Interest Payment Date” shall mean (i) the first day of each calendar month, commencing on the first day of the month immediately following the initial Settlement Date, (ii) each Reset Date in the event such Reset Date is not otherwise an Interest Payment Date, (iii) each date on which all or a portion of the Outstanding Principal Amount of the Loan is prepaid pursuant to Section 3.7, and (iv) the Stated Maturity Date.

“Interest Rate” shall mean, with respect to each Loan Disbursement, a per annum rate equal to the LIBOR Rate published two Business Days immediately preceding the Business Day of any Settlement Date or Reset Date (as hereinafter defined) for the Applicable Rate Period, 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.

“Investment Policy” shall mean the investment policy adopted by the Board on [September 28, 2011], as the same may be amended from time to time.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LIBOR Rate” means, as of any date of determination, the London Interbank Offered Rate, as determined by ICE Benchmark Administration Limited (ICE) (or any successor or substitute therefor) for U.S. dollar deposits for a 1, 3, or 6 month or 1 year period as obtained by Bank from *The Wall Street Journal* or another commercially available source as may be designated by Bank

from time to time (the “Screen Rate”), as of the date that is two (2) Business Days before each Settlement Date and each Reset Date (as defined below). If the Screen Rate is less than zero, the Screen Rate shall be deemed to be zero. The Screen Rate for each Loan Disbursement shall be adjusted on the final Interest Payment Date of the Applicable Rate Period for such Loan Disbursement and shall be applicable to the subsequent Applicable Rate Period (each, a “Reset Date”). Any change in LIBOR Rate for a Loan Disbursement shall be effective from and including the related Reset Date. In the event such rate is no longer published (or published in any successor or substitute publication), the London Interbank Offered Rate with respect to such Interest Period shall be determined by reference to a comparable or successor rate, as determined by Bank with the consent of the Authority (which consent will not reasonably be withheld), that is published by a commercially available source providing such quotations as may be designated by Bank; and provided further that any such comparable or successor rate shall be applied by Bank, if administratively feasible, in a manner consistent with market practice.

“Loan” shall mean the loan of funds made by the Bank to the Authority pursuant to the terms of this Agreement.

“Loan Disbursement” shall mean any advance of Loan Proceeds pursuant to a Request For Loan Disbursement.

“Loan Payments” shall mean those certain payments consisting of (i) the Principal Repayments and (ii) the Interest Payments, to be made by the Authority to the Bank pursuant to and in accordance with the terms of this Agreement.

“Loan Proceeds” shall mean the proceeds of the Loan disbursed by the Bank to the Authority pursuant to and in accordance with the terms of this Agreement.

“Loan Repayment Fund” shall mean the MOPAC Loan Repayment Fund established in Section 5.1.

“Maintenance Expenses” shall mean the Authority’s reasonable and necessary expenses of repair and maintenance of the Transportation Project, including, without limiting the generality of the foregoing, periodic roadway resurfacing and repair, replacement of toll collection, vehicle identification, toll integration and video enforcement equipment and all administrative and engineering expenses relating to the repair and maintenance of the Transportation Project and any other expenses required to be paid by the Authority as shown in the annual maintenance budget for the Transportation Project.

“Maximum Principal Amount” shall mean \$24,900,900.

“Net Revenues” shall mean, with respect to any period of calculation, the Revenues for such period after deducting the Maintenance Expenses and the Operating Expenses for such period.

“Note” shall mean the promissory note in substantially the form attached hereto as Exhibit C.

“Operating Expenses” shall mean the Authority’s reasonable and necessary expenses of operation of the Transportation Project, including, without limiting the generality of the foregoing, expenses for toll collection, all premiums for insurance and payments into any self-insurance reserve fund, all administrative and engineering expenses relating to operation of the Transportation Project, fees and expenses of traffic consultants, general engineering consultants, periodic fees or charges required to administer the Loan, legal expenses, expenses for public safety officers and any other expenses required to be paid by the Authority as shown in the Authority’s annual operating budget for the Transportation Project.

“Operating Fund” shall mean the MOPAC Operating Fund established in Section 5.1.

“Outstanding Principal Amount” shall mean at any time of determination the aggregate principal amount of the Loan actually made as of such date by the Bank at the request of the Authority pursuant to a Request for Loan Disbursement, less any Principal Repayments previously made by the Authority to the Bank.

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Principal Repayments” shall mean each repayment of principal of the Outstanding Principal Amount payable under this Loan Agreement.

“Project Costs” shall mean some or all of the costs of the Transportation Project as more fully described in Exhibit B hereto.

“Request for Loan Disbursement” shall mean a Request for Loan Disbursement made by the Authority pursuant to a notice to the Bank in substantially the form attached hereto as Exhibit A.

“Reset Date” shall have the meaning given to such term in the definition of the term “LIBOR Rate.”

“Resolution” shall mean the resolution approving this Loan Agreement, which was adopted by the Board on November 8, 2017.

“Revenue Fund” shall mean the MOPAC Revenue Fund established in Section 5.1.

“Revenues” shall mean all income and revenues derived from the operation of the Transportation Project, including (i) all Tolls received by or on behalf of the Authority, (ii) the proceeds of any insurance covering business interruption loss relating to the Transportation Project or a portion thereof, (iii) any liquidated damages for delayed completion under a construction contract relating to the Transportation Project or a portion thereof, (iv) any other sources of revenues or funds of the Authority that the Authority chooses to designate as “Revenues” pursuant to an official action of the board of directors of the Authority, and (v) the interest and income earned on the Loan Repayment Fund.

“Sanctions” shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Settlement” shall mean each Settlement described in Section 3.1 hereof.

“Settlement Date” shall mean each date on which a Settlement occurs.

“State” shall mean the State of Texas.

“Stated Maturity Date” shall mean December 1, 2021.

“Tolls” shall mean all rates, rents, fees, charges, fines or other income derived by the Authority from the vehicular usage of the Transportation Project and the rights of the Authority to receive the same.

“Transportation Project” shall mean the MoPac Improvement Project, as more fully described in the Financial Assistance Agreement and the Interlocal Agreement.

2.2 Interpretations. All terms defined herein and all pronouns used in this Loan Agreement shall be deemed to apply equally to the singular and plural and to all genders. This Loan Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Loan Agreement and the validity of the lien on and pledge of the Net Revenues to secure the Loan Payments as provided in Section 4.1 hereof. Wherever the term “including” or a similar term is used in this Loan Agreement, it shall be read as if it were written “including by way of example only and without in any way limiting the generality of the clause or concept referred to.” The headings used in this Loan Agreement are included for reference only and shall not be considered in interpreting, applying or enforcing this Loan Agreement. All cross-references to articles, sections, exhibits or schedules, unless otherwise specified, shall refer to the applicable articles, sections, exhibits or schedules of this Loan Agreement. The words “shall” and “will” as used in this Loan Agreement have the same meaning.

### **ARTICLE III**

#### **AMOUNT, PURPOSE AND AUTHORIZATION**

3.1 Loan of Funds to the Authority. Subject to the terms and conditions set forth in this Loan Agreement and for and in consideration of the Loan Payments and the covenants and agreements herein contained and for the purpose of paying, or reimbursing the Authority for previously paid, Project Costs, the parties agree that the Authority may, on the date hereof or on any Business Day prior to the Expiration Date, submit a Request for Loan Disbursement in the form of Exhibit A attached hereto to the Bank not later than 10:00 a.m. (Central Time) on the third (3rd) Business Day prior to the proposed Settlement Date. The Bank will, subject to the terms and conditions hereof, accept such delivery and pay or cause to be paid the Loan Disbursement by wire transfer in immediately available funds to the Authority (all of the foregoing described transactions are herein referred to collectively as the “Settlement”). The amount total amount of Loan

Disbursements under this Agreement shall not exceed the Maximum Principal Amount. Loan Disbursement shall be in a minimum amount of \$1,000,000 and will be limited to one per month. Any two Authorized Officers may execute and deliver a Request for Loan Disbursement to the Bank. Upon the funding of the Loan Disbursement an authorized officer of the Bank shall enter the principal amount of such Loan Disbursement and the date of such funding in the Schedule of Loan Proceeds attached to the Note. This Loan is not revolving. Amounts borrowed hereunder and repaid may not be reborrowed.

3.2 Conditions Precedent to Effectiveness of Loan Agreement and Making of the Loan.

(a) The effectiveness of this Loan Agreement and the obligation of the Bank to make any disbursement of Loan Proceeds shall be subject to (i) the performance by the Authority of all of its covenants and obligations to be performed hereunder and under the Resolution at or prior to the Closing Date, (ii) the truth and accuracy in all material respects of the representations, warranties and covenants of the Authority contained herein as of the date hereof and as of the Closing Date and (iii) the receipt by the Bank at or prior to the Closing Date of the following:

(i) Legal Opinion. The approving opinion of the Authority's counsel addressed to the Bank, in form and substance reasonably acceptable to the Bank and its legal counsel to the effect that (a) the Authority has the authority under the laws of the State of Texas to execute and deliver the Loan Agreement and Note (b) that the Note has been duly issued and the Loan Agreement and Note have been duly authorized, executed and delivered by the Borrower, and (c) that the Note and the Loan Agreement are valid and binding obligations of the Borrower, duly enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and other laws affecting the rights of creditors of political subdivisions generally) .

(ii) Authority Certificate. A certificate of the Authority dated the Closing Date and signed by an Authorized Officer of the Authority, and in form and substance reasonably satisfactory to the Bank and its legal counsel, to the effect that (1) since the date of the Resolution no material adverse change has occurred in the financial position of the Authority or results of operations of the Authority; (2) since the date of the Resolution, the Authority has not incurred any material liabilities other than in the ordinary course of business or as disclosed in writing to the Bank; (3) to his knowledge, no event materially affecting the Authority has occurred since the date of the Resolution which has not been disclosed in writing to the Bank; (4) since the date of the Resolution, the designation of officers or employees as Authorized Officers has not changed; (5) to his knowledge, the representations, warranties and covenants included in this Loan Agreement are true and correct in all material respects as of the Closing Date and all covenants and obligations to be performed by the Authority under the Resolution and this Loan Agreement on or prior to the Closing Date have been performed; and (6) there is no material litigation against the Authority relating to the Note, the Loan Agreement or any related documents that would have a material effect on the Authority's operations or its ability to collect the Net Revenue or in any way materially impair the Authority's ability to repay its obligations under the Note and the Loan Agreement.;



(iii) Financing Documents. Executed counterparts of the Resolution, this Loan Agreement and the original executed Note; and

(iv) Corporate Documentation. To the extent requested by the Bank and not previously provided to the Bank, certified copies of all documents evidencing the Authority's creation and governance including, but without limitation, all bylaws, board of directors' authorizing resolutions and incumbency certificates.

(b) Evidence that the Authority has paid in full its obligations under the Secured Loan Agreement with American Bank, N.A. and the related note.

(c) The obligation of the Bank to make a Loan Disbursement to the Authority is expressly conditioned upon, as of the date of such disbursement, (i) the truth and accuracy in all material respects of the Authority's representations, warranties and covenants contained herein and reaffirmed in the Request for Loan Disbursement, (ii) the performance by the Authority of all of its covenants and obligations contained herein, (iii) the Authority not being in default under this Loan Agreement or any other financing or other agreement with the Bank, and (iv) the absence of any legal or regulatory bar or restriction.

### 3.3 Unused Fee.

The Authority shall pay to the Bank annually an "unused fee" of 40 basis points calculated on the average undrawn balance of the Maximum Principal Amount. Such fee to be paid annually in arrears on December 1.

### 3.4 Payment of Principal and Interest.

(a) Interest with respect to each Loan Disbursement shall accrue at the applicable Interest Rate from the Settlement Date 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 Balance, 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.

(b) For value received, the Authority hereby promises (i) to pay interest to the Bank as provided herein on the Outstanding Principal Amount on the dates and at the rates provided in this Loan Agreement and the Note, and (ii) to make Principal Repayments to the Bank on the Stated Maturity Date.

3.5 Use of Proceeds. The Loan Proceeds shall be used by the Authority to pay or reimburse the Authority for Project Costs as authorized by the Act. The Authority shall not submit a Request for Loan Disbursement containing any Project Costs not authorized by the Act.

3.6 Making of Loan Payments. All Loan Payments shall be payable, without offset and without exchange or collection charges, in any coin or currency of the United States of America, which on the date of payment is legal tender for the payment of debts due in the United States of America. If the date for making any Loan Payment is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date such payment was due.

3.7 Prepayments. The Outstanding Principal Amount is subject to prepayment, at the option of the Authority, in whole or in part, on any Interest Payment Date, at a price equal to the principal amount being prepaid plus accrued but unpaid interest thereon to the prepayment date. The Authority shall notify the Bank in writing of any such prepayment at least two Business Days prior to the prepayment date. Any such prepayment may be made from Net Revenues, the proceeds of the issuance of debt obligations or any other legally available funds of the Authority.

## ARTICLE IV

### SECURITY AND SOURCE OF PAYMENT FOR LOAN PAYMENTS;

#### ADDITIONAL OBLIGATIONS

4.1 Pledge and Source of Payment. The Note and the obligations under the Loan Agreement are secured by a senior lien pledge of the Net Revenues. In addition, the obligation of Authority to repay the Note and to make any other payment due under the Loan Agreement is an unsecured obligation of the Authority payable from any legally available funds of the Borrower.

4.2 Evidence of Indebtedness and Security Agreement.

(a) A fully executed copy of this Loan Agreement and the Note shall evidence the indebtedness of the Authority as provided herein and shall constitute a security agreement pursuant to applicable law, with the Bank as the secured party. The grants, charge, lien, pledge and security interest of the Bank created herein shall become effective immediately upon and from the Closing Date, and the same shall be continuously effective for so long as the Loan, or any portion thereof, is outstanding.

(b) A fully executed copy of this Loan Agreement and the proceedings authorizing same shall be kept at all times by the Authority and shall be filed and recorded as a security agreement among the permanent records of the Authority. Such records shall be open for inspection, at all times during regular business hours, to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against, the Authority.

4.3 Additional Obligations. The Authority reserves the right, with the prior written consent of the Bank, to issue or incur, for any lawful purpose, lines of credit or additional debt obligations payable from and secured, in whole or in part, by Net Revenues, on a parity with or subordinate to the pledge of and lien on Net Revenues securing the Loan, subject to and in accordance with the terms of the Interlocal Agreement. The Authority confirms that on the Closing Date the Authority has no other senior lien debt payable from Net Revenues.

4.4 Perfection of Security. Section 370.114 of the Texas Transportation Code applies to the aforementioned pledge of, and lien on, the Net Revenues, and such pledge and lien are, therefore, enforceable against any person or entity having a claim, in tort, contract, or other remedy, against the Authority without regard to whether such person or entity has notice of the pledge and lien created hereby. Should Texas law be amended or modified at any time while the Loan, or any portion thereof, is outstanding, the result of such amendment or modification being

that the pledge of, and lien on, the Net Revenues is to be subject to the requirements of Chapter 9, Texas Business & Commerce Code (the “UCC”), in order to perfect the Bank’s security interest in the Net Revenues created hereby, the Authority agrees to take such measures as the Bank determines are reasonably necessary to enable such perfection under the UCC.

## **ARTICLE V**

### **CREATION OF FUNDS; APPLICATION OF LOAN PROCEEDS**

5.1 Creation of Funds. There is hereby established in the Authority’s name the following funds:

- (1) MOPAC Revenue Fund (the “Revenue Fund”);
- (2) MOPAC Operating Fund (the “Operating Fund”);
- (3) MOPAC Loan Repayment Fund (the “Loan Repayment Fund”); and
- (4) MOPAC General Fund (the “General Fund”).

All of such funds shall be maintained at a depository bank of the Authority as a separate, segregated account, separate and apart from all other funds and accounts of the Authority, and shall be maintained and applied in the manner provided herein. The Authority reserves the right to establish one or more additional funds for such purposes as the Authority may determine from time to time. The Authority further reserves the right to establish one or more accounts and subaccounts within each fund including, without limitation, accounts and subaccounts for the purpose of accounting for debt obligation proceeds, Revenues and other amounts relating to additional debt obligations and for such other purposes as the Authority may determine from time to time. Each such account or subaccount within a fund shall be designated in a manner that indicates the identity of such fund and that distinguishes such account or subaccount from all other accounts and subaccounts established by the Authority.

5.2 Flow of Funds. All Revenues shall be deposited as received and accounted for by the Authority into the Revenue Fund. Amounts on deposit in the Revenue Fund shall be deposited in, or credited to, as appropriate, the following funds on the twenty-fifth (25th) day of each month (each, a “Transfer Date”) following the date of execution and delivery of this Loan Agreement in the following amounts in the following order of priority:

First, to the Operating Fund, an amount sufficient to make the balance in the Operating Fund equal to one-sixth (1/6) of the budgeted Operating Expenses and Maintenance Expenses for such fiscal year; provided, the monthly payment may be increased or decreased, as necessary, to reflect amendments to the budgeted Operating Expenses and Maintenance Expenses or to take into consideration amounts then on deposit in the Operating Fund.

Second, to the Loan Repayment Fund, an amount equal to the sum of the following:

(i) the amount of interest next becoming due on the Loan on any Interest Payment Dates that will occur prior to the next Transfer Date; and

(ii) one-twelfth (1/12) of the principal amount of the Loan that will mature and become due and payable within the next twelve months.

In calculating such monthly deposit to the Loan Repayment Fund the Authority may take into account (a) any amounts deposited to the Loan Repayment Fund by the Authority from any source (other than the Revenue Fund) on or prior to the Transfer Date and (b) any investment income realized by the Authority from the investment of amounts on deposit in the Loan Repayment Fund.

On or before each Transfer Date, the Authority shall make up any deficiencies in deposits to the Loan Repayment Fund on prior Transfer Dates from and to the extent monies remain on deposit in the Revenue Fund.

Third, to such funds and accounts as may be established by the Authority in connection with subordinate lien debt obligations entered into by the Authority, such amounts as may be required by the instruments establishing and relating to such subordinate lien debt obligations; and

Fourth, to the General Fund all amounts remaining on deposit in the Revenue Fund.

5.3 MOPAC Operating Fund. There shall be deposited to the Operating Fund such amounts as are required pursuant to Section 5.2. The Authority reserves the right to deposit to the Operating Fund such other amounts as it deems necessary or desirable from any funds of the Authority that are lawfully available for such purpose. Amounts on deposit in the Operating Fund shall be applied by the Authority, from time to time, to pay Operating Expenses and Maintenance Expenses of the Transportation Project. In making payments from the Operating Fund, the Authority shall be deemed to be certifying that obligations in such amounts have been incurred by the Authority and that each item was properly incurred in operating the Transportation Project and has not been previously paid.

5.4 MOPAC Loan Repayment Fund. There shall be deposited to the Loan Repayment Fund such amounts as are required pursuant to Section 5.2. The Authority reserves the right to deposit to the Loan Repayment Fund such other amounts as it deems necessary or desirable from any funds of the Authority that are lawfully available for such purpose. The Authority shall pay out of the Loan Repayment Fund to the Bank (a) on or before each Interest Payment Date, the amount required for the payment of the interest becoming due on such Interest Payment Date and (b) on or before each date on which principal matures or becomes payable pursuant to an optional prepayment of the Loan, in whole or in part, by the Authority, the amount required for payment of the principal amount maturing or being prepaid on such date.

If at the time the Authority is required to make a withdrawal from the Loan Repayment Fund the moneys therein shall not be sufficient for such purpose, the Authority shall withdraw the amount of such deficiency from the moneys on deposit in the following funds and transfer the same to the Loan Repayment Fund in the following order: the Revenue Fund and the General Fund.

5.5 MOPAC General Fund. Moneys in the General Fund shall be used by the Authority as provided in Section 5.4 to restore deficiencies in the Loan Repayment Fund. Notwithstanding the foregoing, moneys in the General Fund may be expended by the Authority at any time for any of the following purposes, with no one item having priority over any of the others:

- (a) to make payments under, or to reimburse the Authority for payments made by the Authority under, the Interlocal Agreement;
- (b) to pay Maintenance Expenses and Operating Expenses;
- (c) to fund or reimburse costs of improvements, extensions and replacements of the Transportation Project; or
- (d) for any other lawful purpose.

5.6 Investment of Funds; Transfer of Investment Income. Money in the Revenue Fund, Operating Fund, Loan Repayment Fund, and General Fund may, at the option of the Authority, be invested as permitted by applicable law and in accordance with the Authority's Investment Policy; provided that all such investments shall be made in such manner that the money within such fund will be available at the time or times required for the disbursement of such amounts from such fund in accordance with the requirements of this Agreement. Any such investment shall be kept and held in such fund. All such investments shall be promptly sold when necessary to provide for the payment of amounts due hereunder or to pay or reimburse Project Costs. All interest and/or income derived from such investments shall be credited, as received, to such fund.

## **ARTICLE VI**

### **COVENANTS OF THE AUTHORITY**

6.1 General Covenants of the Authority. The Authority agrees, promises and covenants with and to the Bank, as follows:

(a) The Authority will (i) make or cause to be made each Loan Payment when due, according to the terms of this Loan Agreement, (ii) deposit or cause to be deposited at the times and in the manner prescribed by this Loan Agreement, the amounts of money to the accounts specified herein, and (iii) faithfully do and perform, and at all times observe, the agreements, promises, covenants, undertakings, stipulations and provisions contained in this Loan Agreement, the Note and the related documents.

(b) The Authority will provide the Bank, upon any Authorized Officer having actual knowledge thereof, with notice of any Event of Default hereunder or any event that, with the passage of time, the giving of notice, or both, would constitute or become an Event of Default.

(c) Commencing with the fiscal year ending June 30, 2017, the Authority will deliver to the Bank contemporaneously upon receipt, but in no event later than 180 days after the end of each fiscal year of the Authority for so long as the Loan or any portion thereof remains outstanding, the audited financial statements of the Authority as of and for the period ended as of the most

recently completed fiscal year of the Authority, prepared in accordance with generally accepted accounting principles or such other accounting principles as the Authority may be required to employ from time to time pursuant to State law or regulation, together with an opinion from an independent certified public accountant, or independent firm of certified public accountants, with respect thereto; provided, that the auditor's opinion shall not contain a qualification (i) to the effect that the Authority is not a going concern or (ii) on account of a limitation of scope within the control of the Authority.

(d) The Authority shall, no later than 30 days following the end of each month following the Closing Date and for so long as the Loan or any portion thereof remains outstanding, post on its website monthly financial statements.

(e) The Authority shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable to effect the transactions contemplated by this Loan Agreement assuring, conveying, granting, assigning, securing and confirming all and singular Bank's rights in and to the Net Revenues and other moneys, securities, funds and accounts, if any, hereby pledged or assigned, or intended so to be pledged or assigned, or which the Authority may become bound to pledge or assign, and the Net Revenues and other moneys, securities, funds and accounts, if any, so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto superior to, or on parity with, the pledge created by this Loan Agreement, other than as permitted by such documents, and all corporate action on the part of the Authority to that end has been duly and validly taken or will be duly and validly taken when required. This Loan Agreement and the Note are and will be valid and legally enforceable obligations of the Authority in accordance with their terms. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Revenues and other moneys, securities, funds and accounts, if any, pledged hereunder and all the rights of the Bank hereunder against all claims and demands of all persons whomsoever.

(f) The Authority shall use the Loan Proceeds only to pay or reimburse Project Costs.

(g) The Authority shall, within five (5) Business Days after the Authority learns of the occurrence, provide the Bank notice of any of the following events, setting forth details of such event:

(i) Events of Defaults - any Event of Default or any event which, given notice or the passage of time or both, would constitute or become an Event of Default by the Authority;

(ii) Litigation - the filing of any litigation, suit or action, or delivery to the Authority of any written claim, which could reasonably be expected to have a material adverse effect upon the Authority's revenues or expenses, or upon the Authority or its performance hereunder or under the Note; and

(iii) Other Adverse Events - the occurrence of any other event or condition which could reasonably be expected to have a material adverse effect upon the Authority or its performance hereunder or under the Note.

(h) Within thirty (30) days after an event specified in Section 6(g) above, the Authority shall provide a statement of an Authorized Officer setting forth the actions the Authority proposes to take with respect thereto.

(i) So long as the Loan, or any portion thereof, is outstanding, the Authority shall not extinguish the lien of this Loan Agreement (or any related UCC financing statement filed with respect thereto) with respect to the Note and the Net Revenues.

(j) So long as the Loan, or any portion thereof, is outstanding, the Authority shall not enter into any amendment or other modification of either the Financial Assistance Agreement or the Interlocal Agreement without the prior written consent of the Bank (which consent shall not be unreasonably withheld, conditioned or delayed) if such amendment or modification would adversely affect the rights of the Bank under this Loan Agreement.

(k) The Authority shall use its good faith efforts to maintain its existence as a regional authority and political subdivision of the State and shall not consolidate with or merge into any other person or entity unless provision is made for the payment of the Loan Payments required hereunder.

(l) When and to the extent required by applicable law, the Authority shall obtain and thereafter maintain at all times all licenses, permits or other approvals required for the overall operations of the Authority.

(m) The Authority shall pay when due from Net Revenues or other available funds the Note and other obligations of the Authority.

(n) The Authority will maintain its right to operate, maintain and collect Revenues from the Transportation Project.

(o) The Authority shall only invest its Revenues as provided by Texas law and the Authority's Investment Policy.

(p) The Authority hereby covenants that it will at all times budget and collect rates for services rendered by the Transportation Project as required by applicable Law. Additionally, the Authority shall budget and collect rates from services on the Transportation Project reasonably estimated to produce Net Revenues in an amount equal to 120% of the aggregate amount required to be paid in such year for principal and interest on all outstanding senior lien debt ("Annual Debt Service") of the Transportation Project. In the event that the 120% rate covenant is not met at the at the end of any fiscal year-end of the Authority, the Authority will engage a traffic & revenue consultant and implement such Consultant's recommendations for the following fiscal year. Failure by the Authority to satisfy this 120% rate covenant for two consecutive fiscal years shall constitute an Event of Default hereunder. Further, if the Authority shall become legally liable for any other indebtedness payable from the Revenues, the Authority will fix and maintain rates and

collect charges for the services of the Transportation Project sufficient to discharge such indebtedness.

## ARTICLE VII

### REPRESENTATIONS AND WARRANTIES

7.1 Warranties and Representations of the Authority. To induce the Bank to enter into this Loan Agreement and to make the Loan, the Authority hereby represents and warrants to the Bank as follows:

(a) Due Organization: Existence. The Authority is (i) a regional mobility authority and a political subdivision of the State, (ii) created and organized pursuant to and in accordance with the provisions of Chapter 361, Texas Transportation Code, and (iii) operating pursuant to the Act.

(b) Authority. The Authority has full right, power and authority to execute, deliver and perform its obligations under this Loan Agreement and the Note and to consummate the transactions contemplated by this Loan Agreement and the Note.

(c) Due Authorization. Pursuant to the Texas Constitution, general laws of the State of Texas and Chapter 370 Texas Transportation Code, the Authority has duly authorized all necessary action to be taken by it for (i) the execution and delivery of this Loan Agreement and (ii) the execution, delivery and receipt of any and all such other agreements and documents as may be required to be executed, delivered and received by the Authority in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement, including but without limitation the Note. The Resolution (i) was duly and lawfully adopted by the duly appointed Board of Directors of the Authority at a meeting with respect to which notice was given as required by law and at which a quorum was in attendance, (ii) has not been amended, repealed, rescinded, supplemented or otherwise modified since the date thereof and no resolution conflicting with the terms of the Resolution has been adopted since the adoption of the Resolution and (iii) is now in full force and effect.

(d) Execution and Enforceability. On the Closing Date, the Resolution will be in full force and effect and will constitute the legal and valid act of the Authority, and this Loan Agreement and the Note will have been duly executed and delivered by the Authority, and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, this Loan Agreement and the Note will constitute the legal, valid and binding obligation of the Authority, enforceable in accordance with their terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and other laws affecting the rights of creditors of political subdivisions generally).

(e) No Conflict. The authorization, execution and delivery by the Authority of this Loan Agreement and any other documents contemplated hereby (including but without limitation the Note) and compliance by the Authority with the provisions of such documents do not and will not conflict with or constitute on the part of the Authority a breach of or a default under any provision of the Constitution of the State or any existing law, administrative regulation, or any court or administrative decree or order issued wherein the Authority is a party, or any agreement,



indenture, mortgage, lease or other instrument entered into by the Authority by which the Authority or its properties are, or on the Closing Date will be, bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, or conflict with the organizational documents of the Authority.

(f) No Adverse Actions. Except as otherwise disclosed to the Bank in writing, to the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending against or affecting the Authority or threatened against or affecting the Authority or contesting the due organization and valid existence of the Authority or the validity of the Act or wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by the Resolution or the validity or due adoption of the Resolution or the validity, due authorization and execution of this Loan Agreement or any agreement or instrument or to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby (including but without limitation the Note); or (ii) the condition or operations of the Authority or the collection of Revenues by the Authority or on behalf of the Authority.

(g) No Consent. No consent or approval of any trustee, holder of any indebtedness of the Authority or any other person, and no consent, approval, permission, authorization, order or license of, or filing or registration with, any governmental entity is necessary in connection with the execution and delivery of this Loan Agreement or the Note, the consummation of any transaction herein contemplated, or the fulfillment of or compliance with the terms and conditions hereof, except as have been obtained or given and as are in full force and effect.

(h) No Defaults. The Authority will not be in default under the terms and provisions of this Loan Agreement on the Closing Date, and the Authority will not be, on the Closing Date, in default under any other agreement, indenture, lease, deed of trust, note or other instrument entered into by the Authority or by which it or its properties are or may be bound, which would have a material adverse effect on the condition of the Authority, financial or otherwise, or otherwise materially affect its ability to perform its covenants and obligations under this Loan Agreement.

(i) Validity. This Loan Agreement, when executed and delivered, will have been duly authorized, executed and delivered and will constitute the legal, valid and binding obligation of the Authority entitled to the benefits and rights hereof; further, this Loan Agreement establishes the valid pledge of and lien on the Net Revenues which it purports to create, and such pledge and lien are in full force and effect.

(j) No Prior Liens. Except to the extent set forth in or contemplated in the Interlocal Agreement, the Authority has never issued, assumed, guaranteed or otherwise become liable in respect of any bonds, notes, contracts, arrangements or obligations of any kind whatsoever that might give rise to any lien or encumbrance on the Net Revenues.

(k) No Change. Except as disclosed in writing to the Bank, the Authority has not incurred any liabilities or entered into any transactions, not in the ordinary course of business, that are material to the affairs of the Authority since the date of the Resolution, and there has not been

any material change in the financial structure of the Authority or any material change in the conditions or general affairs of the Authority since the date of the Resolution.

(l) Tax Matters. Neither the Authority nor the income of the Authority is subject to taxation under the Internal Revenue Code of 1986, as amended, or any taxation imposed by the State or any political subdivision thereof, and the delivery of the Loan Agreement and Note by the Authority is not subject to any transfer or other documentary or stamp taxes of the State or any political subdivision thereof.

(m) Payment of Indebtedness; Project Costs. The indebtedness of the Authority under this Loan Agreement and the Note is expected to be paid in full over their term from the Net Revenues and other available revenues of the Authority. The Loan Proceeds will be used only to pay or reimburse Project Costs.

Any inquiry undertaken by or on behalf of the Bank shall not affect the Bank's ability to rely on the representations and warranties set forth herein. Further, the Authority shall be deemed to restate and reaffirm each of the above representations and warranties as of the date of such Request for Loan Disbursement submitted by the Authority to the Bank.

## **ARTICLE VIII**

### **INVESTMENTS; SECURITY**

8.1 Investment of Deposits. The Authority may place amounts on deposit in the Loan Repayment Fund (including investment earnings thereon) in time deposits or invest the same as authorized by applicable law and the Authority's Investment Policy.

8.2 Security for Deposits. All deposits authorized or required by this Loan Agreement shall be secured to the fullest extent required by applicable law for the security of public funds.

## **ARTICLE IX**

### **EVENTS OF DEFAULT**

9.1 Events of Default. Each of the following occurrences or events, for the purpose of this Loan Agreement, shall be an Event of Default:

(a) failure to make any payment of debt service on any outstanding indebtedness owed by the Authority to the Bank including, but without limitation, any Loan Payment (or portion thereof) when due and payable;

(b) default in the performance or observance of any other covenant, agreement or obligation of the Authority expressly set forth in this Loan Agreement, and/or the Note and the continuation thereof for a period of thirty (30) days after written notice of such default is given by the Bank to the Authority;

(c) any representation or warranty made to the Bank by the Authority herein shall be determined to have been materially false, incorrect or incomplete when made;

(d) the Authority shall fail to maintain its existence as a political subdivision of the State without making provision for the repayment of its outstanding indebtedness (including but without limitation the Loan) or shall admit its inability to generally pay its debts as they mature, or shall make an assignment for the benefit of its creditors; or there shall be commenced against or by the Authority proceedings in bankruptcy, or for reorganization of the Authority, or for the readjustment of any of its debts under the United States Bankruptcy Code, as amended or any proceeding under any other applicable laws, whether state or federal, for the relief of debtors, or for a receiver of the Authority or any substantial part of its property, and, except with respect to any such proceedings instituted by the Authority, such proceedings shall not be discharged within sixty (60) days after their commencement;

(e) the Authority shall suffer a final judgment for the payment of money in excess of \$5,000,000 and shall not discharge the same within a period of sixty (60) days following such judgment unless, pending further proceedings, execution upon such judgment has not been commenced or, if commenced, has been effectively stayed; or

(f) a judgment or other creditor of the Borrower shall obtain, or seek to obtain, possession of the Net Revenues by levy, seizure or attachment.

9.2 Remedies Upon Default. Notwithstanding any other provision of this Loan Agreement and/or the Note to the contrary, and to the extent permitted by applicable law, upon the occurrence of any Event of Default hereunder, then and in every case, the Bank may declare the Outstanding Principal Amount and accrued but unpaid interest hereunder to be immediately due and payable, and the Bank may proceed against the Authority for the purpose of protecting and enforcing the Bank's rights under this Loan Agreement and/or the Note, including (but not limited to) enforcing the pledge of, security interest in and lien and charge on the Net Revenues against all parties in possession of any Net Revenues at any time, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by applicable law, including (but not limited to) the specific performance of any covenant, obligation or agreement contained under this Loan Agreement and/or the Note, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Bank hereunder or thereunder, or any combination of such remedies as the Bank, in its sole discretion, shall determine.

9.3 Default Rate. Upon the occurrence and during the continuance of an Event of Default under this Loan Agreement and/or the Note, the entirety of the Outstanding Principal Amount shall bear interest at the Default Rate, subject to the provisions of Section 12.10 herein.

9.4 No Waiver. No failure on the part of the Bank to exercise, and no delay on the part of the Bank in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. All rights and remedies of the Bank under this Loan Agreement and/or the Note are cumulative and concurrent and are in addition to, and not exclusive of, any rights or remedies afforded the Bank under any applicable law.

**ARTICLE X**

**DISCHARGE; TERMINATION**

10.1 Discharge By Payment. When all of the amounts due or to become due under this Loan Agreement and/or the Note have been paid in full by or on behalf of the Authority, this Loan Agreement shall terminate, the Authority's obligations and the lien on Net Revenues under this Loan Agreement shall be discharged and released and the Bank shall execute and deliver to the Authority such releases or other instruments as are reasonably required to release such lien or otherwise evidence such discharge.

**ARTICLE XI**

**NOTICE**

11.1 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Loan Agreement to be given or filed with the Authority or the Bank shall be in writing and shall be deemed to have been given three (3) Business Days after mailing only upon receipt by the party to whom such is directed. Any such notice shall be sent by first class mail, postage prepaid, to the address specified below, or to such other address as may be designated in writing by the parties:

Authority: Central Texas Regional Mobility Authority  
3300 N IH-35, Suite 300  
Austin, TX 78705  
Attention: Chief Financial Officer

Bank: Regions Commercial Equipment Finance, LLC  
1900 5th Avenue North, Suite 2400  
Birmingham, Alabama 35203  
Attention: \_\_\_\_\_

**ARTICLE XII**

**MISCELLANEOUS**

12.1 Legal Holidays. If the date fixed for making any Loan Payment is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date fixed for payment, and no interest shall accrue on such Loan Payment for the period of time from the dated fixed for payment to the date of actual payment.

12.2 No Recourse Against Authority Officials. No recourse shall be had for the making of Loan Payments or for any claim based thereon or on this Loan Agreement against any Authorized Officer, any other official or representative of the Authority or any person executing this Loan Agreement on behalf of the Authority.

12.3 Authority Successors and Assigns. Whenever in this Loan Agreement the Authority is named and referred to it shall be deemed to include its successors and assigns, and all covenants, obligations and agreements in this Loan Agreement by or on behalf of the Authority, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

12.4 Benefit of Agreement Provisions. Nothing in this Loan Agreement, express or implied, shall give or be construed to give any person, firm or corporation, other than the Authority and the Bank, any legal or equitable right or claim under or in respect of this Loan Agreement, the Note, or under any covenant, condition or provision herein or therein contained, such covenants, conditions or provisions being for the sole benefit of the Authority and the Bank.

12.5 Further Proceedings. The Authorized Officers and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and provisions of this Loan Agreement.

12.6 Increased Costs and Reduced Return. If at any time after the date hereof, the Bank (which shall include, for purposes of this Section, any entity controlling the Bank) determines a (i) Change in Law has occurred resulting in changes to the Bank's required levels of reserves, deposits, insurance or capital (including any allocation of capital requirements or conditions), or similar requirements, or any interpretation or administration thereof by any court or applicable authority or compliance by the Bank with any of such requirements, has the effect of (a) increasing the Bank's costs relating to the Loan and the Note, or (b) reducing the yield or rate of return of the Bank on the Loan and the Note, to a level below that which the Bank could have achieved but for the adoption or modification of any such requirements, then the Authority, to the extent permitted by law, shall pay to the Bank, within sixty (60) days of any written request (specifying in reasonable detail the basis for and calculation of such additional amounts) by the Bank such additional amounts as will compensate the Bank for such increase in costs or reduction in yield or rate of return of the Bank. The Bank shall make such demand as soon as reasonably possible upon becoming aware of such determination; provided, however, no failure by the Bank to promptly demand payment of any additional amounts payable hereunder shall constitute a waiver of the Bank's right to demand payment of such amounts at any subsequent time. Nothing herein contained shall be construed or so operate as to require the Authority to pay any interest, fees, costs or charges greater than is permitted by applicable law.

12.7 Anti-Corruption Laws. To the undersigned's knowledge, the Authority and its board members, officers and employees are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. To the knowledge of the Authority, no use of proceeds or other transaction contemplated by this Agreement will be used in a manner that would violate Anti-Corruption Laws or applicable Sanctions.

12.8 Severability. To the extent any provision of this Loan Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement. Counterparts. This Loan Agreement may be executed in any number of counterparts with the same force and effect as if there were only one single instrument.

If counterparts of this Loan Agreement are executed, the signatures of the parties affixed thereto may be combined and treated and given effect for all purposes as a single instrument.

12.10 Open Meeting. The Authority hereby officially finds and determines that the meeting at which this Loan Agreement and corresponding Note was approved was open to the public, and that public notice of the time, place and purpose of such meeting was given, all as required by the Texas Open Meetings Act.

12.11 Governing Law. THIS LOAN AGREEMENT 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.

12.12 Usury Savings.

(a) Notwithstanding anything contained herein or in the Note to the contrary, to the extent permitted by law, (i) if at any time the Interest Rate or Default Rate, as the case may be, exceeds the Highest Lawful Rate, then (x) interest at the Highest Lawful Rate shall be due and payable and (y) interest at the rate equal to the difference between (A) the applicable rate and without regard to the limitation of this Section 12.13 and (B) the Highest Lawful Rate (the "Excess Interest Amount") shall be deferred until such date as the applicable rate ceases to exceed the Highest Lawful Rate, at which time the Authority shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the Excess Interest Amount as will cause the rate of interest then paid to the Bank to equal the Highest Lawful Rate, which payments of the Excess Interest Amount shall continue to apply to such unpaid amounts hereunder and under the Note, to the greatest extent permitted by law, until all Excess Interest Amount is fully paid to the Bank; provided, however, that no payment of any portion of the Excess Interest Amount shall occur after the final maturity of the Note. Upon the termination of this Agreement, to the extent permitted by applicable law, in consideration for the limitation of the rate of interest otherwise payable hereunder, the District shall pay to the Bank a fee equal to the amount of all unpaid portions of the Excess Interest Amount; provided, that such fee shall not cause the net effective interest rate on the Note to exceed the Highest Lawful Rate.

(b) The provisions of this Section 12.12 shall control over any provision of this Loan Agreement with which it may be in conflict, notwithstanding that such other provision may provide that it controls.

12.13 Amendments. No amendment of any term or provision hereof shall be effective unless it is in writing and signed by the Bank and the Authority.

12.14 Entirety. This Loan Agreement and 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, THIS LOAN AGREEMENT AND 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.

12.15 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 Bank's legal counsel, in an amount not to exceed \$22,500.

12.16 Acknowledgements and Agreements of Bank. The Bank acknowledges and agrees as follows:

- (i) the Note will not be rated by any rating agency;
- (ii) the Note will not bear or be assigned any CUSIP number;
- (iii) the Note will not be registered with the The Depository Trust Company or other securities depository.
- (iv) the disbursement of all funds by the Texas Department of Transportation to the Authority pursuant to the Financial Assistance Agreement is subject to appropriation;
- (v) the Authority has furnished the Bank with all necessary information desired for the Bank to make an informed decision concerning the disbursement of Loan Proceeds to the Authority, and the Bank has made such inspections and investigations as deemed necessary by it to determine the investment quality of the Note and assess all risks associated with the disbursement of Loan Proceeds to the Authority and the Bank's ownership of the Note; and
- (vi) the Note is to be held for the account of the Bank for investment (and not on behalf of another), and the Bank has no present intention of reselling or assigning the Note or dividing the interest therein, either currently or after the passage of a fixed or determinable period of time or upon the occurrence or nonoccurrence of any predetermined event or circumstance.

12.17 Patriot Act. The Bank is subject to the Patriot Act (as hereinafter defined) and hereby notifies the Bank that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Bank is required to obtain, verify, and record information that identifies the Authority which information includes the name and address of the Authority and other information that will allow the Bank to identify the Authority in accordance with the Patriot Act.

12.18 Waiver of Jury Trial. To the extent permitted by applicable law, each of the Authority and the Bank irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Authority and the Bank, 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 Loan Agreement, the Note or the transactions contemplated herein and therein.

12.19 Transfer. The Bank currently intends to hold the Loan Agreement and Note within its loan portfolio, however, the Bank shall maintain the right to transfer and/or assign, in

whole or in part, its rights hereunder, under the laws of the State of Texas, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Authority may not assign its rights hereunder or under Loan Agreement or Note to any person without the prior written consent of the Bank.

12.20 No Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other related document), the Authority acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Bank are arm's length commercial transactions between the Authority, on the one hand, and the Bank on the other hand, (B) the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other related documents; (ii) (A) the Bank has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (including as a municipal advisor), agent or fiduciary for the Authority, or any other Person and (B) the Bank does not have any obligation to the Authority with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other related documents; and (iii) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority, and the Bank does not have any obligation to disclose any of such interests to the Authority.

12.21 EMMA Posting. Except as otherwise required by applicable law, rule or regulation, Authority shall not file or submit, or permit the filing or submission, of all or any portion of the Loan Agreement, the Note or any related document (containing any proprietary information of the Bank) with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Bank in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Bank.

12.22 Anti-Boycott Verification. The Bank represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law including without limitation, 50 U.S.C. Section 4607, none of the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

12.23 Iran, Sudan and Foreign Terrorist Organizations. The Bank represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Bank, §or any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank (i) engages in business with Iran, Sudan, or



any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code (to the extent such lists have been prepared and are maintained). The term "foreign terrorist organization" in this paragraph the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

[SIGNATURE PAGES FOLLOW]

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

CENTRAL TEXAS REGIONAL MOBILITY  
AUTHORITY

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

ATTEST:

\_\_\_\_\_  
Nikelle Meade, Secretary  
Central Texas Regional Mobility Authority

REGIONS COMMERCIAL EQUIPMENT  
FINANCE, LLC.

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

**EXHIBIT A**

**REQUEST FOR LOAN DISBURSEMENT**

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BANK: Regions Commercial Equipment Finance, LLC.

DATE OF REQUEST: \_\_\_\_\_, 2017.

BORROWER/ISSUER: Central Texas Regional Mobility Authority (the "Authority")

PERTAINING TO: \$24,990,900 Secured Loan Agreement (the "Loan Agreement"), authorized by Authority Resolution No. -\_\_\_\_\_

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This Request for Loan Disbursement is delivered pursuant to the Resolution No. -\_\_\_\_\_ adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2017 (the "Resolution"), and pursuant to the Loan Agreement described above. All capitalized terms used and not otherwise defined herein shall have the same meanings as those set forth in the Resolution and the Loan Agreement.

The Authority hereby requests a Loan disbursement (the "Requested Loan Disbursement") as follows:

1. This is a Requested For Loan Disbursement in the principal amount of \$\_\_\_\_\_, (which amount does not exceed the Maximum Principal Amount) on the Settlement Date of \_\_\_\_\_ with an Applicable Rate Period of \_\_\_\_\_ (1,3 or 6 months or 1 year) and a Maturity Date of \_\_\_\_\_.
2. The Requested Loan Disbursement is to pay or reimburse the Authority for only Project Costs authorized by the Loan Agreement and the Act.
3. The amount advanced pursuant to this Request for Loan Disbursement shall bear interest at the rate established pursuant to the Loan Agreement.
4. As of the date hereof each and every representation and warranty contained in the Loan Agreement is true, correct and accurate in all respects, and is hereby affirmatively made and restated as of the date of this Request for Loan Disbursement.
5. As of the date hereof, no Event of Default (whether a current default or one subject to the giving of notice or passage of time, or both) has occurred and is continuing under the Loan Agreement.
6. No authorization or approval or other action by, and no notice to or filing with, any governmental authority with competent jurisdiction is required in connection with

the advancement of funds by the Bank to the Authority pursuant to this Request for Loan Disbursement or in connection with the performance by the Authority of its obligations and agreements under the Loan Agreement.

- 7. Except as disclosed to the Bank in writing, no litigation or other legal challenge is pending or, to the best knowledge of the undersigned, threatened, challenging the legality of the Authority, the Resolution, the Loan Agreement or the security therefor or in any way adversely affecting the ability of the Authority to perform its obligations and agreements under the Resolution or the Loan Agreement.

CENTRAL TEXAS REGIONAL MOBILITY  
AUTHORITY

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

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

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

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

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

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

## **EXHIBIT B**

### **TRANSPORTATION PROJECT COSTS**

Project Costs consist of some or all of the following: (i) expenses of studying the cost and feasibility of the Transportation Project, the design and engineering of the Transportation Project and other expenses relating to the preparation and issuance of bonds for the proposed Transportation Project as defined herein, including but not limited to traffic estimates, revenue estimates, engineering and legal services, plan, specifications, surveys, appraisals, construction cost estimates, and other expenses necessary or incidental thereto; (ii) the costs of construction of the Transportation Project, (iii) the acquisition of right-of-way or other interest in real property or equipment of facilities relating to the Transportation Project; (iv) costs associated with securing the Loan Agreement; and (v) the reimbursement to the Authority of costs attributable to the design, engineering and construction of the Transportation Project incurred prior to the execution and delivery of this Loan Agreement.

## EXHIBIT C

### PROMISSORY NOTE

(this "Note")

THIS NOTE IS SECURED BY THE NET REVENUES UNDER AND AS DEFINED IN THE SECURED LOAN AGREEMENT BETWEEN THE AUTHORITY AND THE BANK. THE OBLIGATION OF THE AUTHORITY TO PAY THE 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 \_\_, 2017**

**FOR VALUE RECEIVED, THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY** (the "Authority"), does hereby promise to pay to the order of **AMERICAN BANK, N.A.** (the "Bank"), on or before December 1, 2021 in lawful money of the United States of America, the Principal Amount set forth above or the aggregate amount of the outstanding Loan Proceeds disbursed hereunder as set forth on the schedule attached to this Note, whichever is less, in accordance with the terms of the Secured Loan Agreement between the Authority and the Bank (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.

**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



LOAN PROCEEDS

Officer Initials

Date of Settlement

Amount of Loan  
Proceeds

Applicable Rate  
Period

Any failure by the Bank to make any entry on this Schedule shall not affect the absolute obligation of the Authority to repay the Loan together with interest as provided in the Loan Agreement.

**EXHIBIT D**  
**TXDOT FINANCIAL ASSISTANCE AGREEMENT**

**EXHIBIT E**  
**CAMPO INTERLOCAL AGREEMENT**

# **Regions Term sheet**

# REGIONS CAPITAL ADVANTAGE, INC.

September 15<sup>th</sup>, 2017

**Re: Up to \$24,990,900 Revenue Revolving Notes or Advancing Term Notes**

Regions Capital Advantage, Inc. (the “Lender”) is pleased to furnish this Term Sheet (the “Term Sheet”) to Central Texas Regional Mobility Authority (the “Borrower”). This Term Sheet contains an outline of suggested terms only, and it does not represent a final 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 Capital Advantage, Inc.

**Borrower:** *Central Texas Regional Mobility Authority*

**Lender:** Regions Capital Advantage, Inc.

**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.

**Privately Negotiated Loan:** The Borrower acknowledges and agrees that the Lender is purchasing the Notes in evidence of a privately negotiated loan (the “Loan”) and in that connection the Notes shall not be (i) assigned a separate public rating by any municipal securities rating agency, provided, however, a private rating may be assigned for purposes of Chapter 370 requirements, (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.

**Purpose:** The proceeds of the Loan will be used to finance or refinance certain project costs of eligible projects and to refinance, renew or refund notes authorized and issued, prior encumbered obligations, parity debt and debt, including interest thereon all subject to Chapter 370 of the Texas Transportation Code, the terms, conditions and limitations contained herein (collectively, the “Projects”).

<b>Option 1</b>	<b>Revenue Revolving Note Facility</b>
<b>Commitment Amount:</b>	Up to \$24,990,900.00
<b>Minimum Denominations:</b>	\$100,000
<b>Minimum Draw:</b>	\$1,000,000. Draws will be made according to defined and agreed forms and procedures and will be limited to a maximum number of one per month.
<b>Commitment Term:</b>	48 Months
<b>Structure:</b>	The Notes shall be structured as Direct Purchase Notes that can be issued as Tax Exempt Notes and dated as the date of issuance as determined by an authorized officer of the Borrower; shall bear interest at such rate or rates based on the corresponding LIBOR Rate Index ( in the event such rate is no longer published (or on any successor or substitute publication), the London Interbank Offered Rate with respect to such Interest Period shall be determined by reference to a comparable or successor rate, as determined by Lender, that is published by a commercially available source providing such quotations as may be designated by Lender; and provided further that any such comparable or successor rate shall be applied by Lender, if administratively feasible, in a manner consistent with market practice.) plus a spread as shown below. The Notes will be senior debt of the Mopac Improvement Project (the "MOPAC Project") of the Borrower. As a Revolving Facility, any Note issued under the facility that is repaid replenishes Lender's commitment under the Secured Loan Agreement between the Lender and the Borrower (the "Loan Agreement").
<b>Interest Rate:</b>	<p>The Loan will be <b>Tax-Exempt, Non -Bank Qualified.</b></p> <p>The interest rate for the Notes will be determined by the applicable LIBOR Rate Index (12 month, 6 month, 3 month, or 1 month LIBOR) plus the applicable spread described below. The LIBOR Rate Index will be determined by the published LIBOR Rate Index in the Wall Street Journal on the day following receipt of a draw notification from the Borrower, provided the draw will occur within 3 business days. If the draw will not occur within 3 business days of the request, the rate will be determined on a date that is 3 business days from the draw settlement. See below. Each Note will bear interest based on the applicable LIBOR Rate Index and spread for a maximum of 364 days. Rates will be rounded up to the 4th decimal place.</p> <p>The Tax Exempt rate will equal the current LIBOR Rate Index at the time of each draw plus the taxable spread, times the product of the following calculation ( 1 minus the current maximum percent of the Federal Corporate Tax rate plus .0001) (Currently the multiplier would be 0.6501) Lender's System limitations will only allow a monthly reset. The taxable spread will be 139 bps (1.39%). For example( <i>assume Borrower chooses the one month LIBOR Rate Index and that rate would be 1.20%+ the spread (1.39%) the taxable rate would be 2.59% therefore the tax exempt rate would be 1.6838% until the reset date.</i>)</p>

## REGIONS CAPITAL ADVANTAGE, INC.

- Default Rate:** The Default Rate will equal the applicable tax-exempt rate expressed above plus 3.00% (300 basis points). In the event of a Determination of Taxability, the Default Rate shall be 3.00% (300 basis points) above the then applicable Taxable Rate (as hereinafter defined).
- Repayment:** Principal will be payable at maturity. Interest is payable at the interest rate reset date of each Note drawn under the Loan Agreement. All payments must be due on the same calendar day of the month.
- Maturity Date:** The maturity date of each Note drawn under the Loan Agreement, will not exceed the earlier of (i) 364 days or the (ii) expiration date of the Loan Agreement.
- Term Out:** If all representations and warranties are correct and no event of default exists under the Loan Agreement, Notes maturing on the date of the expiration of the Loan Agreement may be subject to a term out at a rate to be determined by the Lender at the time of maturity.
- Prepayment:** Borrower may repay a Note prior to the stated maturity with no penalty at par plus accrued interest provided that proper written notice is given to the Lender through a mutually agreed upon notice procedure.
- Early Termination /Reduction Fee:** If the commitment under the Loan Agreement is terminated or reduced by the Borrower prior to the maturity date of the commitment a termination/reduction fee equal to the amount of the commitment reduction times the unused fee percent for 60 days shall be due and payable by Borrower to Lender.
- Unused Fee:** An annual 40 bps (0.40%) unused fee will be calculated based on the average unused available balance of the commitment under the Loan Agreement. Such fee is payable by the Borrower to the Lender annually in arrears.
- 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, related costs) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Loan, the Loan Agreement, the Notes and related 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. Lender's legal fees are estimated at \$18,000 and capped at \$22,500.
- Security:** The Notes will be secured by a senior lien net revenue pledge of the MOPAC Project of the Borrower. In addition, the obligation of Borrower to repay the Notes and to make any other payment due under the Loan Agreement or the Loan shall be an unsecured general obligation of the Borrower payable from any legally available funds of the Borrower. All related resolutions and authorizing documents will be subject to review and approval by the Lender's counsel.

## REGIONS CAPITAL ADVANTAGE, INC.

**Taxability and  
Changes in Tax  
Rate:**

Upon the occurrence of a *Determination of Taxability* of the Notes, the Borrower agrees to pay to the Lender a rate of interest on such Notes (the "Taxable Rate") from the draw date of each such Note that would provide the Lender with an after-tax yield on the then outstanding principal amount of such Notes at least equal to the after-tax yield the Lender could have received if a *Determination of Taxability* had not occurred.

**Representations/  
Warranties/  
Other  
Provisions:**

Usual and customary for this type of loan including but not limited to the Lender's standard provisions with respect to representations and warranties, increased costs and changes in capital adequacy requirements (including Dodd-Frank and Basel III), indemnification, sanctions, anti-bribery and events of default and remedies. A customary claw back provision will be included as protection against the possibility of the interest rate payable on the Notes exceeding the maximum rate payable under Texas law. Upon repayment of the Notes and any payment obligations under the Loan Agreement, the Borrower, if and to the extent permitted by applicable law, shall pay to the Lender a fee equal to the amount of all unpaid deferred excess interest. Any Swap Termination payments of the Borrower shall be subordinate to payment of interest and principal on the Notes.



## REGIONS CAPITAL ADVANTAGE, INC.

- Covenants:** Usual and customary covenants for this type of loan, including, but not limited to the following covenants.
- (a) **Payment of Senior Debt.** Borrower will duly and punctually pay or cause to be paid, from the Net Revenues of the MOPAC Project and if insufficient, will be paid from all legally available funds of the Central Texas Regional Mobility Authority.
  - (b) **Performance.** Borrower will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions in the Notes, the Loan, the Loan Agreement and all related documents. (collectively, "Borrower's Financing Documents")
  - (c) **Mandatory Redemption.** The Notes shall be subject to Mandatory Redemption as provided in the Loan Agreement.
  - (d) **Lawful Title.** Borrower lawfully owns, has title to, is lawfully possessed of, or lawfully has the right to use the MOPAC Project and all other lands, buildings, and facilities now constituting the property of the Borrower.
  - (e) **Lawful Authority.** The Notes are issued pursuant to the Constitution and general laws of the State, particularly Chapter 370, Texas Transportation Code, as amended ("Chapter 370"), and a resolution adopted by the Borrower authorizing the Loan, the Loan Agreement and the issuance of the Notes (the "Resolution").
  - (f) **Protection of Security.** The Borrower is duly authorized under applicable laws to create and issue the Notes as senior debt, and to pledge the Net Revenues in the manner and to the extent provided in the Texas Transportation Code.
  - (g) **Preservation of Lien. Maintenance of Properties and Assets.** The Borrower will not do or suffer any act or thing whereby the pledge of the Net Revenues might or could be impaired.
  - (h) **Investments and Security.** Borrower will invest and secure money under its control as provided by the State law and Borrower's current investment policy.
  - (i) **Records. Annual Audit.** Annual audit to be provided to Lender each year while the Notes are outstanding within 180 days of Borrower's fiscal year end; Borrower agrees to continue to post monthly financial data on its website.
  - (j) **Rate Covenant:** Borrower will covenant in the Loan Agreement that it will at all times budget and collect rates for services rendered by the MOPAC Project sufficient to pay all operating and maintenance expenses of the system and an additional amount equal to 120% of the aggregate amount required to be paid in such year for principal and interest on all outstanding senior lien debt. The Borrower shall further covenant that, if the MOPAC Project should become legally liable for any other indebtedness, it will fix and maintain rates and collect charges for the services of the MOPAC Project sufficient to discharge such indebtedness. Borrower shall also include in the Loan Agreement a rate covenant consistent with the Texas Transportation Code providing that the Borrower shall at all times maintain rates, fees, or charges, sufficient, together with other Net Revenues.
    - (i) to pay all operating and maintenance expenses of the MOPAC Project,
    - (ii) to pay the annual debt service requirements related to the MOPAC Project.
    - (iii) to maintain any reserve or reserves, or special fund or funds established by Borrower related to the MOPAC Project, and
    - (iv) to pay any and every other indebtedness, liability, or obligation of Borrower reasonably expected to be payable from Net Revenues.
  - (k) **Additional Notes:** So long as any obligations to the Lender are outstanding under the Notes or the Financing Documents, Borrower shall not issue any additional debt secured by the Net Revenues of the MoPac Project without the prior written

## REGIONS CAPITAL ADVANTAGE, INC.

consent of Lender.

- Conditions:** As a condition precedent to closing, Borrower will deliver to Lender a certificate in form and substance acceptable to Lender certifying as to no material litigation against Borrower relating to the Financing Documents or with respect to any related documents that would have a material affect on the Borrower's operations or its ability to collect on the Net Revenues or in any way impairing Borrower's ability to repay its obligations under the Financing Documents.
- Defaults:** Usual and customary for this type of financing.
- Remedies:** The Lender shall have all of the rights and remedies set forth in laws of the State of Texas and in Borrower's Financing Documents, and available at law and in equity, for the enforcement thereof.
- Legal Opinions:** As an additional condition precedent to the Lender making the Loan and purchasing the Notes, the Borrower shall provide, among other things, the following opinions to the Lender: 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 Notes and execute and deliver all related Borrower Financing Documents (b) that the Notes have been duly issued and each of the Notes and the other Borrower Financing Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower, (c) that each of the Notes and the other Borrower Financing Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms, (d) that interest on the Notes is excludable from gross income of the holders thereof for federal income tax purposes.
- Transfer Provisions:** The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, under the Laws of the State of Texas, 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 Borrower Financing Documents to any person without the prior written consent of the Lender.
- EMMA Posting:** The Borrower shall not file or submit, or permit the filing or submission, of all or any portion of any Borrower Financing Document (containing any Lender proprietary information) with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such Financing Document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Lender in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Lender.
- 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.

## REGIONS CAPITAL ADVANTAGE, INC.

**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.

**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 Notes or any of the other Borrower Financing Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Borrower Financing Documents.

**Governing Law:** State of Texas

**Option 2 Advancing Term Note Facility**

**Commitment Amount:** Up to \$24,990,900.00

**Minimum Denominations:** \$100,000

**Minimum Draw:** \$1,000,000. Draws will be made according to defined and agreed forms and procedures and will be limited to a maximum number of one per month.

**Commitment Term:** 48 months

**Structure:** The Notes shall be structured as Tax-Exempt Direct Purchase Notes and dated as the date of issuance of each respective Note as determined by an authorized officer of the Borrower; shall bear interest at such rate or rates based on the corresponding LIBOR Swap Rate Index ( in the event such rate is no longer published (or on any successor or substitute publication), the London Interbank Offered Rate with respect to such Interest Period shall be determined by reference to a comparable or successor rate, as determined by Lender, that is published by a commercially available source providing such quotations as may be designated by Lender; and provided further that any such comparable or successor rate shall be applied by Lender, if administratively feasible, in a manner consistent with market practice.) plus a spread as shown below. The Notes will be senior debt of the MOPAC Improvement Project (the "MOPAC Project") of the Borrower.

**Interest Rate:** The Loan will be **Tax-Exempt, Non -Bank Qualified.**

The interest rate for the Notes will be determined by the nearest applicable LIBOR Swap Rate Index (4 year, 3 year, 2 year or 1 year) plus the applicable spread described below. The LIBOR Swap Rate Index will be determined by the published LIBOR Swap Rate Index in the Wall Street Journal on the day following receipt of a draw notification from the Borrower, provided the draw will occur within 3 business days. If the draw will not occur within 3 business days of the request, the rate will be determined on a date that is 3 business days from the draw settlement. The Notes will bear interest based on the applicable LIBOR Swap Rate Index and spread from the date of issuance of each respective Note with a Maturity Date equal to the Maturity Date of the Secured Loan Agreement between the Lender and the Borrower (the "Loan Agreement"). Rates will be rounded up to the 4<sup>th</sup> decimal place.

The Tax Exempt rate will equal the current LIBOR Swap Rate Index at the time of each draw plus the taxable spread, times the product of the following calculation ( 1 minus the current maximum percent of the Federal Corporate Tax rate plus .0001) (Currently the multiplier would be 0.6501). The rate will be fixed for the term of each respective Note. The taxable spread will be 154bps (1.54%). For example( *assume the applicable LIBOR Swap Index would be 1.68%+ the spread (1.54%) the taxable rate would be 3.22% therefore the fixed tax exempt rate would be 2.093%* ).

## REGIONS CAPITAL ADVANTAGE, INC.

- Default Rate:** The Default Rate will equal the applicable tax-exempt rate expressed above plus 3.00% (300 basis points). In the event of a Determination of Taxability, the Default Rate shall be 3.00% (300 basis points) above the then applicable Taxable Rate ( as hereinafter defined).
- Repayment:** Principal will be payable at maturity. Interest is payable quarterly. All payments must be due on the same calendar day of the month.
- Maturity Date:** The maturity date of each draw will be the expiration date of the Loan Agreement.
- Term Out:** If all representations and warranties are correct and no event of default exists under the Loan Agreement, Notes maturing on the date of the expiration of the commitment may be subject to a term out at a rate to be determined by the Lender at that time.
- Prepayment:** Borrower may repay a Note prior to the stated maturity with no penalty at par plus accrued interest on any interest date provided that proper written notice is given to the Lender through a mutually agreed upon notice procedure. A prepayment of a note under this Loan Agreement will not replenish that availability under this Loan Agreement.
- Unused Fee:** An annual 40 bps (0.40%) unused fee will be calculated based on the average undrawn balance of the commitment under the loan agreement. Such fee is paid annually in arrears.
- Draw Schedule:** Borrower will provide a draw schedule prior to finalization of the Loan Agreement, each draw will be evidenced by a separate draw Note.
- 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, related costs) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Loan, the Loan Agreement, the Notes and related 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. Lender's legal fees are estimated at \$18,000 and capped at \$22,500.
- Security:** The Notes will be secured by a senior lien net revenue pledge of the Project of the Borrower. In addition, the obligation of Borrower to repay the Notes and to make any other payment due under the Loan Agreement or the Loan shall be an unsecured general obligation of the Borrower payable from any legally available funds of the Borrower. All related resolutions and authorizing documents will be subject to review and approval by the Lender's counsel.



## REGIONS CAPITAL ADVANTAGE, INC.

**Taxability and Changes in Tax Rate:** Upon the occurrence of a *Determination of Taxability* of the Notes, the Borrower agrees to pay to the Lender a rate of interest on such Notes (the "Taxable Rate") from the draw date of each such Note that would provide the Lender with an after-tax yield on the then outstanding principal amount of such Notes at least equal to the after-tax yield the Lender could have received if a *Determination of Taxability* had not occurred.

**Representations/Warranties/Other Provisions:** Usual and customary for this type of loan including but not limited to the Lender's standard provisions with respect to representations and warranties, increased costs and changes in capital adequacy requirements (including Dodd-Frank and Basel III), indemnification, sanctions, anti-bribery and events of default and remedies. A customary claw back provision will be included as protection against the possibility of the interest rate payable on the Notes exceeding the maximum rate payable under Texas law. Upon repayment of the Notes and any payment obligations under the Loan Agreement, the Borrower, if and to the extent permitted by applicable law, shall pay to the Lender a fee equal to the amount of all unpaid deferred excess interest. Any Swap Termination payments of the Borrower shall be subordinate to payment of interest and principal on the Notes.

- Covenants:** Usual and customary covenants for this type of loan, including, but not limited to the following covenants.
- (a) **Payment of Senior Debt.** Borrower will duly and punctually pay or cause to be paid, from the Net Revenues of the MOPAC Project and if insufficient, will be paid from all legally available funds of the Central Texas Regional Mobility Authority.
  - (b) **Performance.** Borrower will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions in the Notes, the Loan, the Loan Agreement and all related documents. (collectively, "Borrower's Financing Documents")
  - (c) **Mandatory Redemption.** The Notes shall be subject to Mandatory Redemption as provided in the Loan Agreement.
  - (d) **Lawful Title.** Borrower lawfully owns, has title to, is lawfully possessed of, or lawfully has the right to use the MOPAC Project and all other lands, buildings, and facilities now constituting the property of the Borrower
  - (d) **Lawful Authority.** The Notes are issued pursuant to the Constitution and general laws of the State, particularly Chapter 370, Texas Transportation Code, as amended ("Chapter 370"), and a resolution adopted by the Borrower authorizing the Loan, the Loan Agreement and the issuance of the Notes (the "Resolution").
  - (e) **Protection of Security.** The Borrower is duly authorized under applicable laws to create and issue the Notes as senior debt, and to pledge the Net Revenues in the manner and to the extent provided in the Texas Transportation Code.
  - (f) **Preservation of Lien. Maintenance of Properties and Assets.** The Borrower will not do or suffer any act or thing whereby the pledge of the Net Revenues might or could be impaired.
  - (g) **Investments and Security.** Borrower will invest and secure money under its control as provided by the State law and Borrower's current investment policy.
  - (h) **Records. Annual Audit.** Annual audit to be provided to Lender each year while the Notes are outstanding within 180 days of Borrower's fiscal year end; Borrower agrees to continue to post monthly financial data on its website.
  - (i) **Rate Covenant:** Borrower will covenant in the Loan Agreement that it will at all times budget and collect rates for services rendered by the MOPAC Project sufficient to pay all operating and maintenance expenses of the system and an additional amount equal to 120% of the aggregate amount required to be paid in such year for principal and interest on all outstanding senior lien debt. The Borrower shall further covenant that, if the MOPAC Project should become legally liable for any other indebtedness, it will fix and maintain rates and collect charges for the services of the MOPAC Project sufficient to discharge such indebtedness. Borrower shall also include in the Loan Agreement a rate covenant consistent with the Texas Transportation Code providing that Borrower shall at all times maintain rates, fees, or charges, sufficient, together with other Net Revenues
    - (i) to pay all operating and maintenance expenses of the MOPAC Project,
    - (ii) to pay the annual debt service requirements related to the MOPAC Project.
    - (iii) to maintain any reserve or reserves, or special fund or funds established by Borrower related to the MOPAC Project, and
    - (iv) to pay any and every other indebtedness, liability, or obligation of Borrower reasonably expected to be payable from Net Revenues.
  - (j) **Additional Notes:** So long as any obligations to the Lender are outstanding under the Notes or the Financing Documents, Borrower shall not issue any additional debt secured by the Net Revenues of the MoPac Project without the prior written

## REGIONS CAPITAL ADVANTAGE, INC.

consent of Lender.

- Conditions:** As a condition precedent to closing, Borrower will deliver to Lender a certificate in form and substance acceptable to Lender certifying as to no material litigation against Borrower relating to the Financing Documents or with respect to any related documents that would have a material affect on the Borrower's operations or its ability to collect on the Net Revenues or in any way impairing Borrower's ability to repay its obligations under the Financing Documents.
- Defaults:** Usual and customary for this type of financing.
- Remedies:** The Lender shall have all of the rights and remedies set forth in laws of the State of Texas and in Borrower's Financing Documents, and available at law and in equity, for the enforcement thereof.
- Legal Opinions:** As an additional condition precedent to the Lender making the Loan and purchasing the Notes, the Borrower shall provide, among other things, the following opinions to the Lender: 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 Notes and execute and deliver all related Borrower Financing Documents (b) that the Notes have been duly issued and each of the Notes and the other Borrower Financing Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower, (c) that each of the Notes and the other Borrower Financing Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms, (d) that interest on the Notes is excludable from gross income of the holders thereof for federal income tax purposes.
- Transfer Provisions:** The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, under the Laws of the State of Texas, 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 Borrower Financing Documents to any person without the prior written consent of the Lender.
- EMMA Posting:** The Borrower shall not file or submit, or permit the filing or submission, of all or any portion of any Borrower Financing Document (containing any Lender proprietary information) with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such Financing Document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Lender in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Lender.
- 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.



## REGIONS CAPITAL ADVANTAGE, INC.

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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 Notes or any of the other Borrower Financing Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Borrower Financing Documents.

**Governing Law:** State of Texas

Thank you for providing Regions with this opportunity to be involved in a financial relationship with Borrower. We are willing to discuss the terms reflected herein through September 30<sup>th</sup>, 2017. 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.

**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: \_\_\_\_\_