



## TERM SHEET

November 10, 2021

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***The following proposed terms and conditions are submitted for discussion purposes, and are not intended to be, and should not be construed as, a commitment on the part of Renasant Bank (the "Bank") to lend. Any commitment from the Bank is subject to completion of further underwriting and due diligence.***

- Borrower: Memphis Center City Revenue Finance Corporation
- Co-Borrower: Downtown Parking Authority
- Lenders: Renasant Bank and other co-lenders acceptable to Bank and Borrower
- Purpose: For the finance of new parking garages, renovation or expansion of existing garages, and acquisition and development of property for the construction of new garages or other parking infrastructure located in Memphis Tennessee's central business improvement district
- Loan Amount: Up to \$40,000,000 to be advanced in accordance with the schedule of principal draws attached
- Term / Repayment: Seven year term with fixed annual principal payments (see attached schedule), and interest paid quarterly
- Interest Rate:
- Fixed rate at time of closing to be equivalent to the seven year treasury plus 250 bps, with a floor of 3.75% - As of 11/1/2021, the 7yr Treasury rate is 1.45%, which would equate to 3.95%; however, the Lenders would agree to 3.75% fixed subject to the attached contractual draw schedule and a closing date acceptable to Lenders with no prepayment allowed in the first 54 months
  - Floating rate equal to simple SOFR plus 250 bps, with a 0.50% SOFR floor (As of 11/1/2021, 3.00%)
  - Interest Rate Swap: Subject to any and all necessary requirements and / or approvals for a borrowing entity of this type, the Lenders may be inclined to offer an interest rate swap – the indicative rate would be approximately 4.15% subject to the attached contractual draw schedule and a closing date as of the date of this term sheet

- Security:
- Assignment and pledge of certain Payment in Lieu of Taxes (“PILOT”) rents acceptable to Lenders
  - Assignment of three capital leases (Tennessee St Parking Garage, Bakery Parking Garage, and One Beale Garage)
  - Creation of a Tax Increment Financing (“TIF”) district that will encompass at least 22 of the 31 PILOT rent properties acceptable to Lenders
  - Security under the Master Trust Indenture
  - Debt Service Reserve Fund (“DSRF”) equal to \$4 million (up from \$3 million) through 2023 and \$4.775 million thereafter
  - Excess PILOT rents will be held in a Surplus Fund Account (“SFA”). On a monthly basis, Borrower can request distributions of balances over \$3 million (from \$4 million) if DSC is => 1.20x.

- Loan Agreement:
- Documentation acceptable to Lenders. Reporting requirements and covenants would include (but not be limited to):
- Annual audited financial statements of the Borrower due within 180 days of fiscal year-end
  - Quarterly financial statements (internally prepared) due within 45 days of the Borrower’s quarter-end
  - Borrower to provide annual tax returns within 30 days of filing
  - Borrower to maintain a minimum debt service coverage ratio of 1.15x, tested annually.

Deposit Relationship:

All collected PILOT rents, the DSRF, and the SFA to be held with trustee or on deposit at Renasant Bank as acceptable to Lenders and Borrower

- Other Terms and Conditions:
- The following will be required on or before closing:
- Review of financial statements or additional due diligence of applicable PILOT properties
  - Certificate or other evidence from City of Memphis and Shelby County with approval of proposed terms
  - Approval contingent upon minimum combined City of Memphis and Shelby County property tax rates of 6.16% or acceptable to Lenders
  - Limitation on additional capex in excess of \$5 million, cumulative
  - Limitation of additional debt subject to unanimous consent of Lenders
  - Opinions of counsel usual and customary for this type of transaction
  - Other representations, warranties, covenants, events of defaults, acceleration events, and remedies usual and customary for this type of transaction

Closing Costs:

Borrower shall be responsible for any and all costs associated with documentation preparation and the ultimate closing of the loan should a commitment be issued by the Bank.

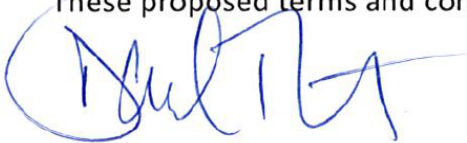
Role of Lenders: The Lenders and their representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and 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 Lenders: (a) the Lenders and their representatives are not recommending an action to any municipal entity or obligated person; (b) the Lenders and their 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 Lenders and their representatives are acting for their own interests; and (d) the borrowers have been informed that the borrowers 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 borrowers deem appropriate before acting on this term sheet or any such other information, materials or communications.

This is not a binding commitment nor does it define all the terms and conditions of any proposed financing, but is meant to facilitate discussion.

Borrower agrees to keep this term sheet and information set forth herein confidential until a request for approval of the loan is submitted to its board. Additionally, the Bank reserves the right to work with other Lenders on this financing.

Renasant Bank wishes to thank you for the opportunity to issue this term sheet. We look forward to working with you and toward consummating a rewarding and mutually beneficial relationship.

These proposed terms and conditions are respectfully submitted by:



Daniel Reid  
Renasant Bank  
President, West Tennessee

## Schedule of Principal Payments

Year 1:	Interest quarterly
Year 2:	Interest quarterly
Year 3:	Interest quarterly, on or before 6/30/24 Principal of \$1.0 million
Year 4:	Interest quarterly, on or before 6/30/25 Principal of \$2.0 million
Year 5:	Interest quarterly, on or before 6/30/26 Principal of \$3.0 million
Year 6:	Interest quarterly, on or before 6/30/27 Principal of \$3.5 million
Year 7:	Interest quarterly, on or before 6/30/28 Principal of \$3.5 million
Year 8:	Interest quarterly, on or before 6/30/29 Principal of \$3.5 million
Year 9:	Interest quarterly, on or before 6/30/30 Principal of \$3.5 million
Year 10:	Interest quarterly, on or before 6/30/31 Principal of \$3.5 million
Year 11:	Interest quarterly, on or before 6/30/32 Principal of \$3.5 million
Year 12:	Interest quarterly, on or before 6/30/33 Principal of \$3.5 million
Year 13:	Interest quarterly, on or before 6/30/34 Principal of \$3.5 million
Year 14:	Interest quarterly, on or before 6/30/35 Principal of \$3.5 million
Year 15:	Interest quarterly, on or before 6/30/36 Principal of \$2.5 million

### Schedule of Principal Draws *(Proposed)*

<b>Quarterly Draws:</b>	
4Q 2021	\$7,535,000
1Q 2022	\$9,626,250
2Q 2022	\$11,136,250
3Q 2022	\$7,172,500
4Q 2022	\$4,530,000
	\$40,000,000