

## TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

### MINUTE ORDER

Page 1 of 2

VARIOUS Districts

Pursuant to Transportation Code, §228.007, the Texas Department of Transportation (department) is authorized to enter into an agreement with a county acting under Transportation Code, Chapter 284, to design, construct, operate, or maintain a toll lane on a state highway and to charge a toll for the use of one or more lanes of a state highway facility. The department wishes to enter into a Tolling Services Agreement (TSA) with Harris County, acting by and through the Harris County Toll Road Authority (HCTRA), the major terms of which are attached as exhibit A.

In Minute Order 113046, dated March 29, 2012, the Texas Transportation Commission (commission) adopted a resolution creating the Grand Parkway Transportation Corporation (corporation), which is authorized to assist and act on behalf of the commission regarding the SH 99 (Grand Parkway) toll project (Grand Parkway Project).

Pursuant to Minute Order 113202, dated July 26, 2012, and Minute Order 113279, dated September 27, 2012, the department and the corporation have previously entered into a "Project Agreement, SH 99 (GRAND PARKWAY) Grand Parkway System" dated July 17, 2013, to provide the terms and conditions on which the corporation and department will undertake their responsibilities in respect of portions of the Grand Parkway Project. Pursuant to Minute Order 114290, dated June 25, 2015, the department and the corporation entered into that certain "Amended and Restated Project Agreement" dated as of May 1, 2018 (Amended and Restated Project Agreement) to include Segments H, I-1 and I-2 of the Grand Parkway Project (Segments E, F-1, F-2, G, H, I-1, I-2, and the portion of Segment D located within Harris County constitute the Grand Parkway System).

Under the Amended and Restated Project Agreement, the corporation is responsible for the maintenance and operation of the Grand Parkway System, and the department shall provide all toll collection and enforcement services for the Grand Parkway System, either directly or using the contractors and subcontractors that it is using at any time in question to provide such services to other toll roads and tolled lanes operated by the department. In addition, neither the corporation nor the department shall enter into a contract with a third party relating to the provision of toll operations and collection services in respect of the Grand Parkway System without the prior approval of the commission, upon a finding by the commission that such third party services do not (A) impair the interests of the owners of the corporation's obligations, (B) cause the commission or the corporation to violate the terms of the Toll Rate Agreement, or (C) cause the corporation or the department to violate the scope of its authority delegated by the commission or retained by the department.

The commission finds that a TSA containing the terms in exhibit A will not (A) impair the interests of the owners of the corporation's obligations, (B) cause the commission or the corporation to violate the terms of the Toll Rate Agreement, or (C) cause the corporation or the

**TEXAS TRANSPORTATION COMMISSION**

VARIOUS Counties

**MINUTE ORDER**

Page 2 of 2

VARIOUS Districts

department to violate the scope of its authority delegated by the commission or retained by the department.

IT IS THEREFORE ORDERED by the commission that the executive director of the department is authorized to enter into a TSA with Harris County, acting by and through HCTRA, containing the terms in exhibit A and any other terms customary to a TSA as determined by the executive director in their sole judgment.

Submitted and reviewed by:

Recommended by:

Signed by:

*Benjamin H. Asher*

E40115FC36E4474...  
Director, Project Finance,  
Debt & Strategic Contracts Division

DocuSigned by:

*Mark Williams*

0E1B35AE191749E...  
Executive Director

116819 October 31, 2024

|        |        |
|--------|--------|
| Minute | Date   |
| Number | Passed |

# EXHIBIT A

## Back Office System and Tolling Services Agreement (“TSA”) - Term Sheet

This document is intended as a general description of the anticipated major contract terms of the Back Office System and Tolling Services Agreement, which may be entered into by the Texas Department of Transportation and the Harris County Toll Road Authority. This term sheet is not intended to be a restatement or interpretation of the Back Office System and Tolling Services Agreement requirements.

| Subject           | Terms   |
|-------------------|---|
| Covered Projects  | <p><u>Primary Tolling Services Projects (“Primary Project”):</u></p> <ul style="list-style-type: none"><li>(a) the Central Texas Turnpike System, consisting of SH 130 Segments 1-4, SH 45 Southeast, SH 45 North, and North Loop 1;</li><li>(b) SH 130 Segments 5 and 6;</li><li>(c) the Grand Parkway System, consisting of the segments of SH 99 for which TxDOT has exercised its option to develop the segment; and</li><li>(d) the SH 249 System.</li></ul> <p><u>Future Projects:</u> In the future TxDOT may construct, own or operate additional toll projects, additional tolled lanes on a Primary Project, or additional tolling points on a Primary Project, collectively with the Primary Projects, the “Projects”.</p> |
| Term of Agreement | <p>The effectiveness of the TSA is subject to the condition precedent that the HCTRA Custodial Account Agreement in the form and substance acceptable to TxDOT, as well as joinder agreements, are fully executed by all parties and the beneficiaries.</p> <p>The term of the TSA commences on the date that TxDOT will set forth in a written notice to HCTRA. The term of the TSA will continue until terminated by either Party.</p>  |

| Subject           | Terms  |
|-------------------|--|
| Scope of Services | <p>From and after the effective date of the TSA (for the Primary Projects) or the applicable Service Commencement Date (for Future Projects) and until the termination of the TSA, HCTRA will provide all customer service (including handling customer disputes), customer account maintenance, Transponder supply, toll collection, clearinghouse, back office, toll enforcement and interoperability services with respect to the Projects (collectively the “Services”).</p> <ul style="list-style-type: none"> <li>(a) <u>Migrated Customer Accounts</u>. HCTRA will provide all management and customer relation services and support for Migrated Customer Accounts according to the same practices, rules, policies and procedures that it applies to HCTRA’s other customer accounts.</li> <li>(b) <u>Customer Service Facilities</u>. HCTRA will provide, operate and maintain a customer service facility at its call center, and will be responsible for all customer inquiries and customer disputes from the Projects. In addition, HCTRA will manage operation of TxDOT’s existing walk-up customer service outlets.</li> <li>(c) <u>Transaction Processing</u>. HCTRA will supply, operate and maintain HCTRA’s back-office system (“BOS”) and facilitate interconnection of the roadside toll collection system for each Project to HCTRA’s BOS. HCTRA will provide these services for transponder transactions and video transactions.</li> <li>(d) <u>HCTRA Customer Transactions with TxTag Transponders</u>. HCTRA will process TxTag transactions on the Projects and HCTRA’s own facilities in the same manner as HCTRA processes transactions with HCTRA-issued EZ Tag Transponders.</li> <li>(e) <u>Video Transaction Processing and Enforcement</u>. HCTRA will send customer invoices to users for video transactions occurring on the Projects.</li> <li>(f) <u>Standards and Requirements</u>. HCTRA will provide the Services in accordance with the provisions, requirements and standards of the TSA, and, to the extent equal to or better than the foregoing, in accordance with HCTRA’s standard management practices, procedures, protocols and business rules.</li> </ul> |
| Compensation      | <p><u>Full Compensation</u>: The compensation for HCTRA set forth in the TSA constitutes full and complete compensation for (i) all the Services, (ii) all hardware and software, and (iii) all costs, including overhead.</p> <p><u>Cost-Based Compensation</u></p> <ul style="list-style-type: none"> <li>• For the Services, TxDOT will compensate HCTRA for TxDOT’s proportionate share (based on Transaction count) of HCTRA’s Eligible Costs.</li> <li>• Eligible Costs generally are those HCTRA incurs for the functions and activities of toll processing, collection and customer service. These exclude a detailed list of Ineligible Costs.</li> <li>• TxDOT will pay to HCTRA transaction fees that are calculated to compensate HCTRA for its reasonable Eligible Costs that are reasonably allocated to the Projects.</li> </ul>  |

| Subject                  | Terms   |
|--------------------------|---|
| Custodial Arrangements   | <p>HCTRA, on behalf of the County, agrees as follows:</p> <ul style="list-style-type: none"> <li>(a) Harris County and Zions Bancorporation, N.A. dba Amegy Bank, as “Custodian,” have entered into the Custodial Agreement. The beneficiaries under TxDOT’s existing Master Lockbox and Custodial Account Agreement with Bank of New York will enter into joinder agreements with Harris County and the Custodian as beneficiaries under the Custodial Agreement.</li> <li>(b) HCTRA will, at all times, abide by the terms of the Custodial Agreement and any joinder agreement and must prevent any modification, termination or agreement to modify/terminate the Custodial Agreement without the prior written consent of TxDOT.</li> <li>(c) HCTRA will establish and maintain a minimum balance in the Custodial Account (the “Cash Reserve Amount”), that must be equal to or greater than the amount of the prepaid funds in the TxTag customer accounts that TxDOT is migrating to HCTRA. At the beginning of each month the minimum Cash Reserve Amount will be reviewed and if the Cash Reserve Amount is below the minimum required amount, HCTRA must replenish it from its own sources.</li> <li>(d) On each Business Day, HCTRA will effectuate wire or ACH transfers of paid revenues on the Projects from the Custodial Account to the existing TxDOT Toll Funds Account under the existing Master Lockbox and Custodial Account Agreement that TxDOT has with Bank of New York.</li> <li>(e) HCTRA will not use, distribute or direct the Custodian to use or distribute proceeds/funds for any purpose other than specified in the Custodial Agreement.</li> <li>(f) HCTRA will notify TxDOT prior to removal/appointment of a successor/replacement of the Custodian. Selection and appointment of any successor/replacement Custodian will be subject to TxDOT’s prior written approval unless the successor/replacement Custodian meets specified qualifications and capitalization requirements. HCTRA will provide to TxDOT within 3 business days any notice HCTRA receives from the Custodian that it fails to meet the specified qualifications and capitalization requirements.</li> </ul> <p>If the Custodian gives notice to resign, HCTRA will immediately take necessary actions to procure and appoint a replacement Custodian.</p> |
| Distribution of Revenues | <p>HCTRA is a collecting agent acting on behalf of TxDOT and all existing and future Beneficiaries with respect to amounts owing or remitted by the Project users and owed and not yet paid to the Beneficiaries.</p> <p>HCTRA will have no right to (i) impose a multiplier on applicable tolls imposed on Project users, (ii) deduct from the tolls any fine, charge or penalty imposed on users or (iii) collect a fine, charge or penalty imposed on users from any toll operator of a Project.</p>   |

| Subject                | Terms   |
|------------------------|---|
| Performance Security   | <p>Not later than 30 days after the Effective Date, and as a condition to the right to receive compensation for services, HCTRA will deliver to TxDOT a letter of credit in the initial face amount of \$15,000,000. The amount will change annually to seven days of average daily toll revenues from the Projects, up to a cap of \$20,000,000 unless a higher amount is approved by the Harris County Commissioner's Court.</p> <p>Whenever a Future Project is added to the TSA, HCTRA will deliver to TxDOT a supplementary letter of credit or an increase in the face amount of the existing letter of credit equal to seven days of the Future Project's average daily toll revenues, subject to the cap.</p> <p>After the first four years of the Term, if HCTRA has not committed a major default, it no longer will have to provide the performance security. However, TxDOT can reinstate the requirement for Performance Security if HCTRA later commits a major default.</p>  |
| Termination Provisions | <p><u>Termination Upon Uncured Default</u></p> <p>Upon the occurrence of a material default that is not cured within an applicable cure period, the non-defaulting Party will be entitled to terminate this Agreement upon at least 10 days prior written notice to the defaulting Party, provided that (A) notice of termination will be effective only if delivered prior to completion of cure and (B) the effective date for cessation of HCTRA's services will be subject to specified time periods to enable TxDOT to transition services for the Projects to a new service provider.</p> <p><u>Unilateral Termination Right for Convenience by TxDOT and by HCTRA</u></p> <ul style="list-style-type: none"> <li>• TxDOT will have the unilateral right to terminate for its convenience, either in its entirety or as to one or more Projects, by providing written notice to HCTRA no less than 270 days before the earliest effective date of termination.</li> <li>• After the first 5 full years of the Term, HCTRA will have the unilateral right to terminate for its convenience, either in its entirety or as to one or more Projects, by providing written notice to TxDOT no less than 1,095 days before the earliest effective date of termination.</li> </ul> |