

Harris County, Texas
Request for Proposal for Commercial Paper Liquidity
Toll Road First Lien Revenue Commercial Paper Notes, Series K

Purpose

Harris County, Texas (the "County"), is seeking proposals from qualified financial institutions to provide a bank facility to support its \$200 million First Lien Revenue Commercial Paper Notes (the "First Lien Notes" or "Notes"), Series K.

The amount of the facility should include principal and also cover interest coverage as required by the rating agencies. Respondents may include various term lengths for the facility at their firm's discretion, along with fee structures relating to each proposed term.

Description of Series K Commercial Paper Program

Issuer:	Harris County, Texas (see Security, below)
Facility:	Tax-Exempt Commercial Paper liquidity facility
Amount:	A commitment covering the principal amount of up to \$200 million plus required interest coverage (anticipated to be at the maximum rate of the facility (10%) for the number of days required by the rating agencies, potentially 270 days), if applicable. At its discretion, the County will consider proposals for less than \$200 million.
Use of Program:	The Notes may be issued from time to time (i) to provide funds for eligible capital projects of the toll road authority, (ii) to refinance, renew or refund Notes as they come due, and (iii) to pay eligible costs and expenses of the issuance of the Notes, including bank credit facility or similar costs of the program.
Security:	The Notes will be issued by the County as First Lien Obligations pursuant to the Master Indenture, and together with any existing or additional First Lien Obligations, are secured by a first lien on, pledge of and security interest in the Trust Estate under the Master Indenture, subject to and subordinate in all respects to any lien or pledge granted with respect to outstanding Senior Lien Obligations under the 2015 Indenture. The Trust Estate includes a pledge of all Revenues derived from the operation of the Project and certain funds established under the Master Indenture. Capitalized terms and further description of the Master Indenture can be found in the Toll Road First Lien Revenue & Refunding Bonds, Series 2024A Official Statement.
Events of Default	The County requests (a) standard events of default and (b) special events of default as to bankruptcy, non-payment of debt and breaches of covenants. A County ratings downgrade or loss of tax-exempt status for the Notes may not constitute an event triggering automatic termination of the facility.

<p>Termination:</p>	<p>Upon the occurrence of certain agreed events, and after some agreed period of time, the County requests the right to terminate the facility at any time, in whole or in part, upon thirty (30) days’ notice to the Bank without any cost to the County.</p> <p>The County seeks the ability to terminate the facility without penalty upon a credit event of the facility provider that significantly and adversely impacts the trading of Notes backed by that facility, If the rating of the credit provider falls below money-market eligible ratings, then the County would have a right to terminate at any time without penalty.</p> <p>The County seeks the ability to terminate the facility without penalty upon a claim by the bank for increased costs or capital adequacy protection.</p> <p>The County requests respondents to provide the terms that would be acceptable related to termination by the County prior to the stated expiration.</p>
<p>Covenants:</p>	<p>The County requests standard covenants as to maintenance of existence, licenses, permits and records, maintenance of tax-exempt status of the Notes, and ability to amend the authorizing order without prior written consent.</p>
<p>Legal Opinions:</p>	<p>The County requests legal opinions relating to the enforceability of the facility from U.S. counsel, and from foreign counsel where appropriate.</p> <p>Respondent should also be able to certify it complies with Texas Government Code Section 2252.152 (sanctioned company list), Chapter 2271 (boycott Israel), and Chapter 2274 (SB13 and SB19).</p>

To assist you in preparing responses, we refer you to the County's website for the latest annual financial reports. Those can be found at: <https://auditor.harriscountytexas.gov/Pages/ACFRs.aspx>

Financial Reports of the Harris County Toll Road Authority can be found at: <https://www.hctra.org/reports#overviewsection>

Payment of all fees and expenses (including respondent’s counsel fees, if any) by the County are contingent upon Harris County Commissioners Court approval, and the final approval of the transcript of proceedings by the Attorney General of Texas (if applicable). It is the responsibility of respondents to specify all costs (i.e. administrative fees, processing fees, etc.) associated with providing the products or services required herein for which reimbursement will be sought. The laws of the State of Texas will govern the obligations of the County. Any necessary credit approvals required by your bank should be completed upon the submission of your Proposal, or the process for approval should be described in the Proposal if that remains a pending item when the Proposal is submitted.

Your proposal should be submitted by e-mail by 4:00 PM, CT on Thursday, January 30, 2025 to:

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Kristin Blomquist
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Special Note: The County has previously issued certain outstanding toll road senior lien revenue bonds and other obligations (the "Senior Lien Obligations") pursuant to a separate indenture referred to as the "2015 Indenture" in order to finance and refinance a portion of the Cost of the Project, and the County reserves the right in the 2015 Indenture to issue for any lawful purpose certain "junior lien obligations" and other bonds, notes, or other obligations secured in whole or in part by liens on revenues of the Project that are junior and subordinate to the lien on revenues securing payment of the Senior Lien Obligations (the "Junior Lien Obligations"). The Obligations issued under the Master Indenture, including the Notes, constitute Junior Lien Obligations within the meaning of and as defined in the 2015 Indenture. The first lien on, pledge of and security interest in the Trust Estate securing the First Lien Obligations under the Master Indenture, including the Notes, is subject to and subordinate in all respects to any lien or pledge granted with respect to outstanding Senior Lien Obligations under the 2015 Indenture.

If your firm is interested in providing a credit facility or alternative program as outlined above, please complete a term sheet that addresses the following items:

1. Provide the contact details for the main point of contact for the respondent.
2. Provide the term(s) of the facility, all fees for each respective term, the options available to the County for extending the facility beyond the initial term, and the level of review and any related costs required by the Respondent to extend the initial term or to revise the initial fee structure.
3. Identify the respondent's counsel (who must be acceptable to the County), indicate whether the County is expected to pay for such services, and detail their fees and expenses separately, including a cap on such fees and expenses.
4. Detail the other costs associated with providing the proposed facility, including start-up fees, administrative fees, commitment fees, and expenses, increased cost and/or clawback provisions, if any. The County will consider each proposed term along with its associated fees in making its selection.
5. Describe the interest rate on borrowings, if any, under the facility and the interest rate in the event of default. Indicate the cost for draws with same-day reimbursement.
6. Discuss the terms for conversion into a term loan for amounts not paid within a stated period and for amounts outstanding at the expiration of the facility.
7. Itemize the conditions precedent to draws, including any cost of funding such draws.
8. Describe the respondent's long-term and short-term credit ratings and discuss the current status of these ratings.
9. Describe the provisions for and costs, if any, to the County resulting from a decision by the County to reduce the size of or to terminate the facility earlier than the stated maturity.
10. Describe any "favored nations" requirements, including the scope of what the requirements would cover.

11. Please provide proposed terms relating to financial reporting requirements. The County's preference is to have the financial reporting requirements due six months after the end of the County's fiscal year. The County will comply with financial reporting requirements by posting documents on EMMA.
12. Please confirm your ability to comply with the requirements of Texas Government Code Section 2252.152 (sanctioned company list), Chapter 2271 (boycott Israel), and Chapter 2274 (SB13 and SB19).

Please refrain from contacting elected officials or staff members of the County regarding this request for proposal. If you have any questions concerning the terms of this request for proposal, please feel free to contact:

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