

Violation Processing Services Agreement

This Violation Processing Services Agreement (the "Agreement") is made and entered into as of the 12th day of April, 2013 (the "Effective Date"), by and between the FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY (herein called "FBGPTRA" or "Authority"), and XEROX STATE & LOCAL SOLUTIONS, INC., (herein called "Xerox"), a corporation organized under the laws of the State of New York.

RECITALS

WHEREAS, this Agreement provides for the services to be provided by Xerox to the Authority with respect to violation processing services for the Project (defined below); and

WHEREAS, the Authority has determined it is in the Authority's best interest to engage a professional service provider for the services described in **Exhibit A** (the "Services"); and

WHEREAS, the Authority issued a Request for Proposals (the "RFP") dated October 24, 2012 for Xerox to process, handle, collect, and maintain violation transactions for the segments of the Grand Parkway developed by the Authority (the "Project"), currently Segment D; and

WHEREAS, Xerox has reviewed the RFP and available documentation on the Project and submitted a proposal dated January 7, 2013 (the "Proposal") in response to the RFQ; and

WHEREAS, on February 26, 2013, the Authority found and determined that Xerox's Proposal was the best proposal submitted and authorized negotiations with Xerox for a definitive agreement for the Services; and

WHEREAS, the Parties have read and understood the terms and provisions set forth in this Agreement and have been afforded a reasonable opportunity to review this Agreement with their respective legal counsel;

NOW, THEREFORE, in consideration of the premises, mutual promises, covenants, obligations and benefits herein contained, the Authority and Xerox agree as follows:

ARTICLE I: SERVICES

Section 1.01. Scope of Work. Xerox shall perform the scope of work described in **Exhibit A** (the "Services"). The Performance Objectives related to the Services are described in **Exhibit D**. Xerox shall not deviate from the Services, except as permitted by Section 1.02. No proposed change to the Services or terms of this Agreement, by either party, shall be effective unless and until agreed to in writing by both parties, or their designees.

Section 1.02. Change Orders and Approval of Minor Changes.

(a) The Authority may, at any time by written notice and without notice to sureties or assignees, make minor changes within the Services with the mutual agreement of Xerox. The Authority's Manager, currently Mike Stone Associates Inc., may request and / or approve minor changes on behalf of the Authority within the limits of the authority that has been delegated by the Authority to the Manager. Should any such change increase or decrease the cost and/or the time required for performance of this Agreement, Xerox must notify the Authority within thirty (30) days of receiving notice of the change from the Authority. Upon receipt of such notice from Xerox, the Authority has the option to withdraw the request or negotiate an equitable adjustment in the price, delivery schedule or both.

Any claim for costs associated with a change in the scope of the work shall be negotiated between Xerox and the Authority. Adjustments to price shall be computed by agreement of a fixed price (or change to unit price). The Authority may request that Xerox submit a written proposal indicating the price at which Xerox would be willing to perform certain changes in the work as described by the Authority. Upon receipt of such a request, Xerox shall prepare and submit such proposal promptly, but no later than thirty (30) business days. If Xerox and the Authority agree in writing as to the price to be paid to Xerox for the work changes, this Agreement shall be deemed amended in accordance therewith.

(b) Xerox may, at any time by written notice to the Authority's Manager, request a change order to the Services or delivery schedule. Upon receipt of such notice from Xerox, the Authority will consider an equitable adjustment in the price, delivery schedule or both. If Xerox and the Authority agree in writing as to the price to be paid to Xerox for the work changes, this Agreement shall be deemed amended in accordance therewith.

(c) In the event Xerox is delayed at any time hereunder and the cause of the delay is beyond Xerox's control and arises without its fault or negligence, Xerox shall be entitled an equitable adjustment in the price, delivery schedule, or both.

Article II: Agreement, Pricing and Payment Terms

Section 2.01. Compensation for Services. The Compensation for the Services and payment schedule is set forth in **Exhibit B**. The amount paid under this Agreement for Services may not exceed the fees set forth in **Exhibit B** without an approved written supplement, change order, or amendment to this Agreement executed by the Parties or pursuant to Section 1.02 above.

Section 2.02. Invoicing. Xerox shall submit detailed applications for payments in a form prescribed by the Authority's Manager to:

Mike Stone Associates, Inc.
Attn: Mike Stone
P.O. Box 546
Richmond, TX 77406

Xerox shall provide its invoice to the Authority's Manager by the last Wednesday of the month and the Authority shall make payment within forty-five (45) days of receipt of Xerox's invoice, provided the invoice is received by the last Wednesday of each respective month. Interest shall not be paid on service invoices.

Article III: Term and Termination

Section 3.01. Term. It is understood and agreed that the time for Xerox's performance of the Services under this Agreement shall expire three years from the date the Project is operational. The Authority shall provide Xerox written notice that the Project is operational as soon as reasonably practicable upon Xerox satisfying the operational requirements set forth in the Services in all material respects. Should the Authority direct Xerox to go live or otherwise process live violations, the Project shall be deemed to have gone operational as of the date the Authority provided such direction. The Authority has the option to extend the Agreement for up to two one-year terms.

Section 3.02. Events of Default. The following are specific events of material default, but does not limit the events of default to those items specifically listed:

By Xerox:

1. Material failure to perform the Services pursuant to the terms of this Agreement.
2. The voluntary or involuntary commencement of bankruptcy proceedings by or against the Xerox.

By Authority:

1. Failure to make payments for the work in accordance with Section 2.02.

Section 3.03. Notice of Default to Xerox.

If Xerox has triggered an Event of Default under Section 3.02, the Authority shall deliver to Xerox written notice of such Event of Default. Upon receipt of said notice, Xerox shall have ten (10) business days to cure said failure(s).

Section 3.04. Notice of Default to Authority.

If the Authority has triggered an Event of Default under Section 3.02, the Xerox shall deliver to the Authority written notice of Event of Default. Upon the Authority's receipt of said notice, the Authority shall have ten (10) business days to cure said failure(s).

Section 3.05. Termination With or Without Cause.

Either party may terminate this Agreement without cause upon six (6) months written notice to the other party. Either party may terminate this Agreement with cause upon thirty (30) days written notice to the other party if an Event of Default has occurred, notice has been provided and the defaulting party has not cured the failure(s) pursuant to Sections 3.03 or 3.04.

Article IV: Proprietary Information and Intellectual Property

Section 4.01. Proprietary Information.

The Authority agrees that Xerox's methodologies, tools, concepts, know-how, structures, techniques, inventions, developments, processes, discoveries, improvements, proprietary data and software programs, and any other information identified as proprietary or confidential by Xerox, which may be disclosed to the Authority, are confidential and proprietary information ("Xerox Confidential Information"). With respect to Xerox Confidential Information, the Authority shall keep such information confidential and use good faith efforts to ensure its contractors and consultants shall do so also, by using the same degree of care and discretion that it uses with similar information of its own which the Authority regards as confidential. However, the Authority shall not be required to keep confidential any information which: (i) is or becomes publicly available; (ii) is already in the Authority's possession; (iii) is independently developed by the Authority outside the scope of this Agreement and without any reliance on Xerox Confidential Information; or (iv) is rightfully obtained from third parties. Moreover, the Authority may share such Xerox Confidential

Information with its agents and employees, other contractors, and its consultants to the extent reasonable or necessary to develop, operate or maintain the Project; provided, however, the Authority agrees that it shall not share such Confidential Information with TransCore, LP, without the consent of Xerox.

Notwithstanding the above, Xerox acknowledges and agrees that the Authority is subject to the Texas Public Information Act ("TPIA") and may be required to disclose proprietary information pursuant thereto. Xerox is required to clearly label all documents considered "proprietary," as defined in the TPIA.

Section 4.02. Intellectual Property

Xerox shall retain title to any and all Xerox proprietary intellectual property, such as software, utilized in the performance of this Agreement. The use of any third party software in the performance of this Agreement shall be in accordance with the terms and conditions of those third party licenses. Conditioned upon receipt of payment hereunder Xerox shall, during the term of this Agreement, ensure that the Authority has adequate rights to use of benefit from, through the services provided by Xerox, any Xerox intellectual property and third-party intellectual property.

Article V: General Conditions

Section 5.01. Xerox's Duties. Xerox covenants with the Authority to furnish its best skill and judgment in performing the Services for the Authority pursuant to the terms of this Agreement. Xerox agrees to furnish efficient business administration and superintendence and to use its best reasonable efforts to furnish at all times an adequate supply of workmen, materials, and equipment, and to perform the Services in the most expeditious and economical manner. Xerox agrees to exercise reasonable diligence in performing the Services, using the degree of care and skill that a prudent person in the same or similar profession would use. Xerox agrees to comply with the Proposal submitted to perform these services.

Section 5.02. Relationship of Authority and Xerox. Xerox has been retained by the Authority for the sole purpose and to the extent set forth in this Agreement. It is understood and agreed that all work so done by Xerox shall meet the requirements of this Agreement, but that the detailed manner and method of performing the Services shall be under the control of Xerox. Xerox's relationship to the Authority during the term of this Agreement is that of an independent Xerox. The relationship between the Authority and Xerox is not exclusive.

Section 5.03. Insurance. Xerox agrees to procure and to maintain in force and effect during the term of this Agreement, at Xerox's sole expense, insurance of the types

and with the limits of liability set forth in **Exhibit C**, underwritten by insurance companies having a Best's rating of B+/VII or better and licensed to transact business in the State of Texas.

All required insurance listed in **Exhibit C** shall not be canceled or materially changed without at least seven days prior written notice to the Authority by Xerox. Xerox agrees to comply with all conditions of the insurance listed in **Exhibit C**, including giving timely notice of potentially covered occurrences and claims.

Xerox agrees to cause the Authority and the Authority's Directors to be named as additional insureds on the commercial general liability and business automobile liability policies listed in **Exhibit C** for injury or damage arising out of, in whole or in part, Xerox's Services performed or required to be performed under this Agreement. Such additional insured requirement may be met through a blanket additional insured provision basis. With respect to any other insurance that may be maintained by the Authority or its Directors, Xerox also agree to cause each policy listed in **Exhibit C** to provide that it will respond as primary insurance and shall not contribute with or apply as excess over other insurance maintained by the Authority.

Xerox agrees to cause its, general liability and automobile liability insurers, to waive subrogation against the Authority and its Directors. In order to mitigate any risk that such insurers might contend that their rights of subrogation were not waived as required, Xerox agrees that it presently waives and releases all claims or causes of action that might hereafter arise in favor of Xerox against the Authority or its Directors for injury or damage caused by and for which Xerox is covered by such commercial general liability and business automobile liability insurance policies.

Before commencing any work hereunder, Xerox shall furnish to the Authority standard ACORD form Certificates of Insurance evidencing compliance with the insurance requirements hereof. Such Certificates shall indicate the name of the Authority, name of insurance company, policy number, term of coverage and limits of liability. New Certificates reflecting the renewal of expiring policies shall be provided within 10 days after policy expiration. Xerox shall also furnish the Authority with copies of the blanket additional insured endorsements by which the Authority and its Directors are made additional insureds thereunder.

The requirements of this Section 5.03 are independent of all other obligations of Xerox under this Agreement, and nothing contained in this Section shall limit or waive Xerox's legal or contractual responsibilities to the Authority or others.

Section 5.04. Indemnification

AS PART OF THE CONSIDERATION FOR THIS AGREEMENT, THE XEROX, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, AGREES TO

DEFEND, INDEMNIFY AND HOLD HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND CONTRACT-RELATED AGENTS, ANY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY, INCURRED IN CONNECTION THEREWITH, INCLUDING REASONABLE ATTORNEY'S FEES AND COURT COSTS, WHETHER IN CONTRACT, TORT, OR OTHERWISE, BROUGHT BY ANY OF XEROX'S EMPLOYEES OR REPRESENTATIVES, OR BY ANY OTHER THIRD PARTY, BASED UPON, IN CONNECTION WITH, RESULTING FROM OR ARISING OUT OF XEROX'S WRONGFUL, RECKLESS, OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS AGREEMENT (THE "COVERED CLAIMS"). THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE CONDUCTED BY XEROX OR ANY SUBCONTRACTOR OR AGENT OF THE XEROX. WITH RESPECT TO COVERED CLAIMS, WHICH CLAIMS XEROX EXPRESSLY ACKNOWLEDGES ARE COVERED CLAIMS PURSUANT TO THE FOREGOING INDEMNITY AND HOLD HARMLESS PROVISION, XEROX SHALL HAVE EXCLUSIVE CONTROL OF THE SELECTION OF COUNSEL AND THE DEFENSE OF, AND SETTLEMENT OF, ANY COVERED CLAIM AS XEROX DETERMINES IN ITS SOLE DISCRETION.

Section 5.05. Limitation of Liability.

Notwithstanding any other section, clause, or language, including but not limited to any indemnification or warranty liability, under no circumstances whatsoever shall Xerox be liable to the Authority, whether in contract, tort, or otherwise, for any consequential or indirect damages. Xerox's aggregate liability for any other damages shall not exceed five million dollars (\$5,000,000), excluding damages related to acts of gross negligence or willful misconduct against third parties. This limitation of liability shall only be binding and valid if Xerox is in full compliance with Section 5.03.

Section 5.06. Agreement Documents.

To the extent that there is any inconsistency between the provisions of this Agreement and any attachments or exhibits hereto, the terms of this Agreement shall control.

This Agreement includes Exhibits A, B, C, D, the Proposal, and all amendments thereto, all of which are incorporated herein by reference and are made a part hereof (together such documents, are referred to herein as the "Agreement Documents"). Any changes and/or additions made to the Agreement Documents as a result of negotiations with the Authority shall be included as part of this Agreement and attached hereto as an Exhibit. In the event of a conflict within the Agreement Documents, the order of prevailing precedence shall be as follows:

1. Change Orders;
2. The Agreement, as amended;
3. Exhibits to the Agreement, and amendments and all exhibits and attachments thereto;
4. Xerox proposal dated January 7, 2013; and
5. Scope of Services described in the RFP dated October 24, 2012.

Section 5.07. Compliance with Regulatory Requirements. Xerox must comply with all applicable federal, state, county, and city rules, regulations and laws, and any codes which may apply to the Services being provided. Xerox will obtain all permits and licenses required to perform the Services and will be responsible for securing inspections and approvals of its work from any authority having jurisdiction over Xerox's Services.

5.08. Inspection and Audits. The Authority and its duly authorized representatives shall have the right to inspect and audit, at its expense, the Services being performed hereunder at any time. Xerox agrees to maintain adequate books and records satisfactory to the Authority in connection with any and all Services performed hereunder and to maintain such books and records for at least four years. The Authority and its duly authorized representatives shall have the right to audit such books and records at any reasonable time or times as it relates to verifying invoiced charges. Access to such material include applicable financial records but shall not include the Xerox's costing rates, actual costs and profit. The Authority agrees to maintain the confidentiality of such materials, subject to the requirements of applicable law, including the TPIA.

Article VI: Miscellaneous

Section 6.01. Assignability. Xerox shall not assign its rights or obligations or any sum that may accrue to it hereunder without the written consent of the Authority, which shall be granted or denied in the Authority's sole discretion. The Authority may, at its sole option, assign all or a portion of its rights and obligations under this Agreement to Fort Bend County or to any entity chosen by Authority to operate any segment of the Fort Bend Grand Parkway.

Section 6.02. Modifications. This Agreement shall be subject to amendment, change or modification only with the prior mutual written consent of the Authority and Xerox.

Section 6.03. Force Majeure. In the event either party to this Agreement is rendered unable, wholly or in part, by force majeure including an act of God; strikes;

lockouts, or other industrial disturbances; acts of the public enemy; orders of any kind of government of the United States or the State of Texas or any civil or military authority (other than a party to this Agreement); insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; droughts; arrests; civil disturbances; explosions; or other inability similar to those enumerated including those by third parties that neither Xerox nor the Authority has control over; to carry out its obligations under this Agreement, it is agreed that party shall give written notice of such act to the other party as soon as possible after the occurrence of the cause relied on and shall, thereafter, be relieved of its obligations, so far as they are affected by such act, during the continuance of any inability so caused, but for no longer.

Section 6.04. Agreement Subject to Applicable Law. This Agreement and the obligations of the parties hereunder are subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas or any other regulatory agency having jurisdiction.

Section 6.05. Governing Law. This Agreement is governed in accordance with the laws of the State of Texas without respect to conflicts of laws principles or doctrines and venue shall be in Fort Bend County.

Section 6.06. Waiver. No waiver or waivers of any breach or default by a party hereto of any term, covenant or condition or liability hereunder of performance by the other party of any duty or obligation hereunder will be deemed a waiver thereof in the future, nor will any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 6.07. Intended Beneficiaries. This Agreement is for the sole and exclusive benefit of the Authority, including Fort Bend County, and Xerox and will not be construed to confer any benefit upon any other party.

Section 6.08. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances will not be affected hereby.

Section 6.09. Survival. Section 5.04 shall survive the termination of this Agreement.

Section 6.10. Section Headings. Section Headings are included for section identification purposes only and are not to be considered Agreement terms.

Section 6.11. Notice Provisions. Notices under this Agreement and the Agreement Documents shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by facsimile communication followed by a hard copy and with receipt confirmed by telephone, to those individuals designated by Xerox and the Authority from time to time in writing:

To Authority: Mr. Bill Jameson
WJ Interests, LLC
2333 Town Center Drive, Suite 100
Sugar Land, TX 77478-4383

With a Copy to:
Mr. Rich Muller
Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

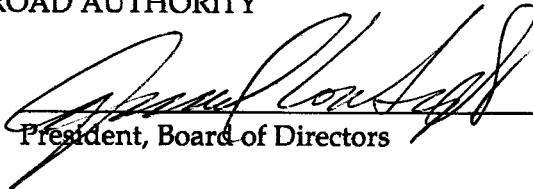
To Xerox: Mr. Rich Bastan, Group President
Xerox State & Local Solutions, Inc.
12410 Milestone Center Drive
Germantown, MD 20876

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date set forth on the first page hereof.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FORT BEND GRAND PARKWAY TOLL
ROAD AUTHORITY


President, Board of Directors

ATTEST:


Secretary, Board of Directors

(SEAL)



XEROX STATE & LOCAL SOLUTIONS, INC.:

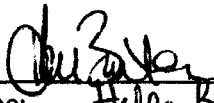
By: 
Name: Helen Burton
Title: Vice President, Insurance Pricing
Date: 4/17/13

Exhibit A

SCOPE OF WORK

Project Description

The Fort Bend Grand Parkway Toll Road Authority (FBGPTRA) will operate and maintain a tolling system providing toll transaction information from seven locations on Segment 'D' of the Grand Parkway. The violation processing services contract will be for a period of three (3) years with two one-year options. The violation processing operator will provide systems and program management required to process transactions and images and to create violation accounts for the collection of toll revenue by FBGPTRA.

Xerox will operate and maintain the FBGPTRA violation processing center in support of Segment 'D' of the Grand Parkway. Xerox is responsible for developing and implementing an approved system for contract administration which clearly defines system protocols and procedure. Xerox will implement an integrated approach to project management and provide a liaison for FBGPTRA, its consultants and other third parties.

Operations Costs. The costs for providing:

- Violation processing
- Toll transaction image review
- Fully functional system
- File and violation account management
- Processing to the toll system host
- Developing and processing toll violation notices
- Collection services and the required reporting
- Contract management

At a minimum the file and transaction processing to and from the toll system include the following, with ICDs agreed between the Toll Operator and Xerox:

- Tag Validation List (TVL) File (Pushed from the FBGPTRA Host to the VPC host)
- Transaction / Plate Association Data File (Pushed from the FBGPTRA Host to the VPC)

- Transaction Files (Pushed from the FBGPTRA Host to the VPC), transferred four (4) times daily
- Image Files (Pushed from the FBGPTRA Host to the VPC) transferred with transaction files
- Disposition Files
- Violation Status Files
- Acknowledgement Files
- Flagrant Violators List (pushed from the VPC to the FBGPTRA Host)

Project Documentation. Xerox shall coordinate and report to FBGPTRA or its duly authorized representative all activities and shall document and report all work in accordance with the contract. The following documents/requirements shall be submitted according to the schedule below. Each will require review and acceptance by FBGPTRA or its duly authorized representative prior to commencing work as described in this scope of work.

- Detail Design Document
- Project Management Plan
- Quality Assurance Plan
- Requirements Document
- Integration Plan
- User/Training Manual
- Master Test Plan
- Standard Operating Procedures

Operations

Xerox shall provide overall management and oversight of violation processing services provided by the host computer established by Xerox. Violation processing services shall include but not be limited to:

- Program Management
- Customer Service and Call Center Operations
- Image Review
- Establishing and managing Violation Accounts
- Toll Notice Preparation
- Revenue Collection and Reconciliation
- Collections

- Interacting and coordination with TransCore (toll system integrator), DMV, Administrative Hearing staff and officials, FBGPTRA staff, it's duly authorized representative and consultants

Program Management. The goal of this project is to have the VPC operating in conjunction with the completion of the Segment 'D' toll system and having the capability of processing images and violations upon opening Segment 'D' of the Grand Parkway to traffic. Xerox will develop and maintain a critical path method (CPM) schedule for the development, testing and operations of their system and processes. This schedule will be provided to FBGPTRA monthly and will accompany Xerox's invoice and monthly status/production report.

Xerox will be responsible for the management of the VPC for the life of the contract. As part of the management of the VPC system, Xerox shall be responsible at a minimum for the following:

- Implementation of FBGPTRA business rules, policies, and procedures as defined in this scope document and mutually agreed between FBGPTRA and Xerox
- System development work needed to meet the operational and functional requirements established by FBGPTRA
- Procurement of additional administrative furnishings including specialized equipment, network communications, and operating materials and supplies
- Human resources including compensation structure/job categories and salaries, staffing, hiring, a training program for both new and retained staff, employee performance incentive programs, and human resources records and files
- Statement on Standards for Attestation Engagements (SSAE) 16 certified, as part of shared infrastructure audit
- Minimum PCI Merchant Level 2

Within ten (10) days of approval of the Project Management Plan, Xerox will conduct a Project Initiation Conference. The purpose of the conference shall include, but not be limited to:

- Introduce key personnel
- Review the overall approach to the Project

- Review key aspects of the Project Management Plan, the quality management plan, and the initial program (CPM) schedule
- Review the preliminary requirements trace matrix and discuss any exceptions
- Discuss early project coordination

Xerox shall develop an agenda for the Project Initiation Conference and submit to FBGPTRA or its duly authorized representative for review and comment three (3) days prior to the meeting.

Initial system implementation will be demonstrated by the system readiness test. Completion and acceptance of this test is required before commencement of operations.

Customer Service and Call Center Operations. Xerox will operate a call center that can support customer calls in regards to payments, disputes, reversals, inquiries, and questions for a duration no shorter than twelve (12) hours (7:00 am to 7:00 pm Central Time) five (5) days a week. The call center will have bilingual staff (Spanish speaking Customer Service Representative (CSR) required) for customers who have limited proficiency with the English language. The call center will provide FBGPTRA a dedicated number where law enforcement agents can call a VPC supervisor and check the current account status of violators on the road.

Xerox must support the use of IVR (Interactive Voice Response) 24/7. The IVR will be used during hours of operation and when staff is not present, to allow customers to submit payments without having to talk to a CSR representative, to allow for outgoing call activity related to capturing customer feedback by surveys or other mechanisms. The use of IVR shall reduce the number of calls VPC representatives are required to answer, allowing for more pressing issues to be handled by VPC staff in a timely response.

Xerox will establish a link on the FBGPTRA website that directs customers to Xerox's website. This site will contain information about the violation process, contact information, and pertinent information in regards to motorist, violators, and the general public. For consistency, the website must have the same look and feel as the FBGPTRA website, and allow for violators to look up personal information as it relates to a violation account, as well as information regarding TVNs. The website will need to allow for customers to make payments. The website must include both English and Spanish pages.

Xerox will maintain each of the systems within the VPC for the life of the contract, such that each system remains in good working order. Xerox will be responsible for system upgrades should any be required to maintain system operations to agreed specifications.

Image Review. The image review environment will be configured to handle a maximum of twelve (12) violation overview images and a maximum of twelve (12) regions of interest (ROI) per violation transaction from the lane system, and an average of seven (7) overview images and seven (7) ROI images per violation transaction. These overview and ROI images will be used to conduct image review as part of the violation processing services. All transactions received from the lane system host will be retained for one (1) year, and all transactions as part of a violation account shall be retained for two (2) years.

Image review will be done on all transactions with a combined confidence value of less than 98% as determined by the toll system integrator. Any transaction that is reviewed on three (3) separate occasions, that returns a dissimilar value each time, will be removed from the image review list, and reported to FBGPTRA. All image review will be performed within the performance standard attached to the contract as an exhibit. A number of code-off values will also be used during the image review process. Code off values shall be configurable by authorized personnel, and are to include at a minimum:

- Plate unreadable
- Plate bent or missing
- Plate obstructed
- Plate not matched
- Exempt vehicles
- Out of state
- Camera issue

All images, once reviewed, will be eligible for administrative review, regardless of their review result. Administrative review will be used as a secondary check to validate image review quality and accuracy. Reports shall be made available that show a user's speed and accuracy by both position and shift. If a configurable number of code-offs have been performed within a specified period of time, an alert will be sent to FBGPTRA alerting of a potential problem.

Upon completion of the image review process, each image review value will be compared against the tag validation list (TVL) in an attempt to match violation transaction with known good accounts at the Interoperability HUB (HUB). This process, known as a Video Toll (V-Toll) shall take place prior to the transaction being sent thru the violation process. For each transaction that is not classified as a V-Toll, it shall be assigned to a violation account, and will need to be searchable by violation number as it pertains to the Toll Violation Notice (TVN), as well as by violation account number.

Violation Accounts. For each violation transaction, Xerox will obtain the vehicles registered owners information. Utilizing an interface with the Department of Motor Vehicles (DMV) for the states of Texas, New Mexico, Oklahoma, Arkansas, and Louisiana, or other equivalent registration organization, the VPC will send vehicle plate information and obtain the owners name and address for the day and time in which the violation occurred. Upon obtaining registered owner information back, the VPC will create a violation account if one does not already exist. If multiple address and owners are associated with one vehicle, each will be saved and the corresponding TVN will be sent to the renewal address. If the first listed owner cannot be reached, the second owner will be sent the TVN.

For each violation account within the system, Xerox will monitor the balance of tolls and penalties owed to FBGPTRA. Once the violation account balance reaches a monetary threshold as determined by FBGPTRA, the vehicle plate number associated with the violation account in question will be placed onto the flagrant violator list. The flagrant violator list, to be maintained and transmitted daily to the lane host system, or as balance changes within a violation account require a plate to be put on the list, or taken off, will consist of the following information at a minimum:

- Plate number
- Registered owner name
- Registered owner address
- Violation account balance

Toll Notice Preparation. When a customer's violation account reaches a user configurable monetary threshold as determined by FBGPTRA, the account will be placed into the TVN process. Once in this process, violators will receive a TVN, by first class mail, and include at a minimum:

- Registered Owner name

- Registered Owner address
- Invoice generation date and time
- Each violation event
 - Offense date
 - Offense description
 - Offense Time
 - Amount due
 - Location (lane, plaza)
 - Vehicle Class
- Vehicle license plate image, including region of interest and/or overview image (best available image used as determined by OCR/image review)
- Vehicle license plate state
- Trespassing language

For each TVN that is mailed out by the VPC, a user configurable penalty as determined by FBGPTRA will be added on to the violation account balance. Violators will have forty-five (45) days from the date the TVN is mailed, (thirty (30) days TVN process plus fifteen (15) day grace period) to pay the balance of the TVN, or enter into an already established, predefined payment plan with the VPC to take care of the outstanding balance.

In the event that that a TVN is returned via mail, because of an incorrect or new address, one (1) skip trace will be used to try and track down a more recent address. If multiple addresses are found, a notice will be sent to each one, with the thirty (30) day period starting over. Note: the skip tracing service used by the VPC Operator only returns a singular best address, and this will always be the system in place. Notices shall not be sent to an address that has been determined as incorrect.

Each TVN, and other such documents issued by the VPC, will have a barcode associated with the document. The barcode will be used to quickly archive and associate a document with a violation account. These documents, and others received by the VPC in relation to a specific violation account will need to be saved in an electronic document management system (EDMS). Once in the system, a CSR shall be allowed to query a customer and see any document affiliated with that customer.

Revenue Collection and Reconciliation. Payments will be applied on a First in First out (FIFO) basis. Users are allowed to make partial or complete payments at any time. Acceptable forms of payment will include Credit Card, Debit Card, ACH, Cash, Money Order, Cashier's Check, and Check. Xerox is not required to have operations

and payment processing centers in the state of Texas, but is required to have payments mailed to an address within the state. The Operator will be required to provide the following:

- Accept payment over the web, mail, and phone
- Establish a process for violators to pay cash within Fort Bend County
- Explain how payment processing will be managed

Payment plans are allowed to those customers whose account balance reaches a predetermined configurable value set by FBGPTRA. Payment plans will only be offered to those customers who agree to the payment plan terms as defined by FBGPTRA. Once in a payment plan, a violation event associated with the account will result in immediate default of agreement. Once in default, the account is subject to additional penalties as outlined within the terms of the agreement.

Daily and/or monthly reconciliation will be provided to FBGPTRA. Reconciliation activities shall include, but not limited to the following:

- Transactions received from and processed to lane system host
- CSR transactions for earned verses actual revenue
- Deposits to bank transactions
- Revenue category to revenue source
- Revenue by reporting entity
- Tolling system to Fort Bend County G/L (VECTOR G/L) for applicable accounts
- Code offs

Collections. Each TVN that goes unpaid for a period of forty-five (45) days will be subject to collections. Collections, handled by the VPC, will result in a penalty to be added on to the violation account balance. Once an account has been sent to collections, violators will have at least ninety (90) days to pay the expected amount. While in collections, unless otherwise agreed to by FBGPTRA the VPC is required to make one (1) phone attempt every three operational days (Monday through Saturday). An attempt constitutes a phone call made to a known working, non-cellular number, waiting till it is answered, reaches voice mail, or rings for six (6) ring tones without an answer. If the VPC is able to collect the full outstanding balance prior to the collections period expiring, enters into a payment agreement, receives a cease and desist notice, or is otherwise removed from an active status the minimum number of attempts at

customer contact will be ignored. The VPC will adhere to all applicable federal and state collection laws as well as the State of Texas Bar Association laws when VPC is engaged with collection law firms for the adjudication and/or collection of TVNs.

Administrative Hearing Support. After ninety (90) days, once a violation account has progressed through the collections period without formal resolution, the VPC will be required to prepare the necessary court package and submit to FBGPTRA. The court package shall contain relevant information as it pertains to a violation account that will be electronically transmitted to FBGPTRA for further action. Any account that FBGPTRA has not taken to court will remain open as part of the collections process.

The Court Package shall include the following elements:

- Citation
- Violation history report
- Order
- Docket sheet
- Motion to dismiss
- VTR/DMV inquiry by registration
- Fact summary sheet
- Account activity report
- Account history
- Tag list
- Credit card history

As directed by FBGPTRA, Xerox will assist with initiating the registration hold process for Texas vehicle owners thru the DMV.

Interoperability With Other Toll Authorities. FBGPTRA will operate an all-electronic toll (ETC) facility interoperable with all Texas-toll facilities. When a customer goes through a tolling point without a readable transponder, Xerox will ensure that one of two processes will occur.

- The license plate read is compared to a list of license plates provided to Xerox and an image (V-Toll) toll is processed
- The vehicle is a violator and the process of creating the violation notice and collections process is initiated

The FBGPTRA VPC shall be established to develop and process violation notices to motorists using the facility without a valid transponder issued from the Harris County Toll Road Authority (HCTRA), the Texas Department of Transportation (TxDOT) or the North Texas Tollway Authority (NTTA); to provide customers a place and format to communicate with FBGPTRA in reference to violations; to make payments on violation accounts; update account information; to handle disputes and/or appeals.

License plate images will first be sent thru the toll system integrator's OCR process to determine a license plate number. Depending on the returned OCR value, the transaction will be handled in one of two ways. If the OCR combined confidence value is greater than 98%, the transaction will be sent by the toll system directly to the interoperable HUB, including tag number, to try and be posted to an existing user account. Transactions with a confidence value of less than 98% will be processed for manual image review. If the image review reflects a vehicle on the valid tag list it will be processed to the integrator's host for transmittal to the Interoperable HUB. If the transaction is unable to post to a user account, it will then be processed to the VPC.

Testing

Prior to the system going live, Xerox's system will be thoroughly tested to validate that functional requirements are met, and that the system is capable of meeting the business requirements set forth by FBGPTRA. Prior to the start of each test, Xerox will submit test procedures to FBGPTRA. Once reviewed and accepted, Xerox will be allowed to proceed to the test. Testing will take place in a phased approach, with the first phase being prototype/demonstration testing.

Prototype/Demonstration Test. Prototype/Demonstration testing will be done onsite at Xerox's facility to validate that the functional and technical elements of the system are capable of meeting the requirements. This test shall be done using simulated or test data as not to affect the current VPC production system. During this demonstration, Xerox will be required to provide at a minimum:

- All necessary equipment and resources required for the demonstration
- Test schedule
- Test procedures

Within fifteen (15) days after the Prototype/Demonstration Test has been successfully completed, Xerox shall submit a report of the results. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

Interface Test. The next phase to be tested will be Interface Testing. Interface testing will be done to validate that functional and technical interface elements of the system are capable of meeting the requirements. This test shall be done using simulated or test data as not to affect production systems. Prior to the start of Interface testing, Xerox will need to validate conformance to the Toll Systems Integrator's Interface Control Documents (ICD) so that information can flow back and forth between the two systems. During the test, the VPC will be required to provide at a minimum:

- Conduct functional, technical, and peripheral testing of all interfaces. Testing should include exchanges to/from each interface (Toll System Host, DMV, FBGPTRA website, etc.)
- Test schedule
- Test procedures

Within fifteen (15) days after the Interface Test has been successfully completed, Xerox shall submit a report of the results. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

Onsite Full System Integration Test. The next phase to be tested will be the Onsite Full System Integration Test. System Integration Testing will be done to validate that functional and technical interface elements of the system are fully integrated and capable of meeting the requirements through the use of live data from the lane system. During this test, the VPC will be required to provide at a minimum:

- Demonstrate and validate that all internal system interfaces between functional components are fully developed and integrated
- Actual data from the lane is used (simulated data can also be used to supplement traffic if needed)

- Information exchange to include at a minimum (Flagrant Violator List, Plate List, Transactions, V-Toll transactions, Images)
- Demonstrate end-to-end data flow between all the systems
- Stress testing
- Test schedule
- Test procedures

Within fifteen (15) days after the Onsite Full System Integration Test has been successfully completed, Xerox shall submit a report of the results. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

Operational Test. The last test phase will be Operational Testing. Operational Testing will last for a period of sixty (60) consecutive days to verify that all functional elements of the system are in conformance with FBGPTRA technical, functional, and operational requirements. At a minimum, Xerox will be required to provide:

- Full functional, technical, and peripheral testing
- Interface testing
- Processing of actual lane data
- Adherence to performance and accuracies, and financial audit and reconciliation
- Test schedule
- Test procedures

Within fifteen (15) days after the Onsite Full System Integration Test has been successfully completed, Xerox shall submit a report of the results. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

System Readiness Test. System readiness testing, operation of the system, will be validated by Xerox using either live data from Segment D, data from similar roads, or synthetic transactions. The detailed test plan will be agreed during design phase, but the following areas are planned:

- Loading and processing of violations and images from the lane
- Loading Tag Validation Lists
- Image review and creation of violation accounts, flagrant violator list
- Transmission of violation status and flagrant violators
- Aging of violation accounts, with notice generation and transfer to collections
- Account management, and dispute handling
- Web site
- Interactive Voice Response system
- Payments
- Reconciliation and reporting

The results of the test will be captured in a report, and delivered to the Authority for sign-off of readiness.

Reporting. Xerox will provide their standard toll system reports as identified in their proposal submitted for this procurement plus develop and provide an additional ten reports to be defined by FBGPTRA during the life of the contract. These reports will consist of any report information required to manage:

- Transaction Processing
- Violation Accounts
- Toll Notices – processing and revenue
- Transaction code offs
- Collections – contact, revenue and success rate
- Dashboards and Program Management

Violation Processing and Reconciliation. Xerox will establish violation accounts and report on their performance in establishing the accounts, sending toll notices, revenue collected, notices and violations processed to collections, the success rate at collections and the notices and violations contained within the administrative hearing packages prepared for FBGPTRA. This information will be processed in the format required by FBGPTRA. Xerox's system shall be capable of processing the data compiled by the toll system in the travel lanes, processing the data to and from the toll system

host, the DMV, and providing the system's standard reports and the reports required by FBGPTRA.

The system shall generate a flagrant violator list and transmit it to FBGPTRA toll system host.

Performance Audit. The performance audit shall consist of controlled audit procedures for evaluating the system on an annual basis to ensure that system reliability and accuracy has not degraded over time and that the system continues to satisfy the functional and performance requirements. Procedures should be similar to those defined for the operational test. Xerox shall also incorporate the results of selected FBGPTRA ad hoc tests into the Performance Audit Test procedures.

The performance audit will be done by a third-party auditor chosen and managed by Xerox, and will take place annually beginning eleven (11) months after the completion of the Operational Test. The audit shall consist of Agreed Upon Procedures (AUP), utilizing transaction data, reports, and image review data for at least the thirty (30) days preceding the performance audit for the analysis. FBGPTRA may choose to perform ad hoc operational testing as part of the performance audit. A performance audit will be deemed successful by FBGPTRA if it is determined that the audit shows that the system requirements presented herein are met.

An AUP is a pre-defined procedure, formally agreed in advance with the audit firm by both FBGPTRA and Xerox. Unlike a controls-based audit, an AUP audit doesn't result in an opinion from the auditors, such as adequacy of controls. Rather, an AUP audit yields quantitative results of the processes measured.

Xerox will define AUPs for Objectives listed below. Each AUP will validate the operation of the system with respect to the objective, including especially verification of end-to-end processing of data.

- All transactions end-to-end are accounted for per approved business rules
- All violations have been pursued according to approved business rules
- All violation accounts entering collections have exited according to approved business rules
- Code-offs represents valid execution of approved business rules
- All violators that participate in payment plans are managed according to approved business rules, including discharge or termination of the plan

Within thirty (30) days after the performance audit has been completed, Xerox will provide FBGPTRA a report of the results from the test period. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

Xerox will use the results of the audit to improve internal QA controls to ensure that future issues will be prevented.

Remote Access. Xerox's system is web based and shall be capable to allow authorized users to access the system over the Internet.

Quality Management. Xerox is required to develop a quality program covering image review and violation processing.

The objective of the Quality Management Plan (QMP) is to establish the responsibility for the quality of all services, and to allow FBGPTRA to fulfill its responsibilities of exercising due diligence in overseeing the Toll Systems Services processes and products.

Xerox shall prepare a QMP for FBGPTRA's review and approval. Procedures shall:

- Ensure that Xerox personnel are familiar with all the provisions of the contract concerning their respective responsibilities
- Provide for the education, training, and certification, as appropriate, of personnel performing activities affecting or assessing the quality of the work to assure that such personnel achieve and maintain reasonable proficiency
- Ensure that the work is performed according to the QMP, generally accepted practices for these types of services and the contract

Project Documentation

Deliverable	Current Schedule
Project Management Plan	30 days after NTP

System Requirements Document	30 days after NTP
Quality Assurance Plan	30 days after NTP
Integration Plan	90 days after NTP
Detail Design Document	60 days after NTP
Master Test Plan	45 days after NTP
User/Training Manual	90 days after DDD
Standard Operating Procedure	60 days after DDD

Documentation. Xerox shall plan, execute, and control all aspects of the violation processing services. Xerox shall coordinate and report to FBGPTRA or its duly authorized representative all activities and shall document and report all work in accordance with the contract.

Document Review and Approval. Upon submission of a document by Xerox, FBGPTRA shall respond with approval, or with comments and corrections, within ten (10) business days. In case of non-approval, the operator shall address all comments within five (5) business days, and resubmit for final approval.

The following documents/requirements shall be submitted to FBGPTRA:

- Detail Design Document
- Project Management Plan
- Quality Assurance Plan
- System Requirements Document
- Integration Plan
- User/Training Manual
- Master Test Plan
- Standard Operating Procedures

Detail Design Document. Xerox will submit a Detail Design Document (DDD) to the FBGPTRA within sixty (60) days following the issuance of the notice to proceed. The DDD is an extension of the contract and the Proposal. It shall include such detail as block diagrams, screen layouts, report formats, software design, operational procedures, and other pertinent design documentation. A list of equipment for each function along with a description of its role shall be provided. Any equipment listed in the DDD that has not been listed in Xerox's proposal shall be accompanied by that equipment's specifications. Such equipment shall be provided at no increased cost to FBGPTRA.

The topics to be discussed in the DDD shall include at a minimum the following areas:

- System architecture includes diagrams
- Server design
- Storage system design
- System transaction process Disaster recovery design
- Detailed reports environment
- Developed/provided software
- Technical specifications
- Detailed database scheme
- System data dictionaries
- Database design and entity relationship modeling
- Self-service website site map

Within fifteen (15) days of acceptance of the DDD, Xerox shall conduct a Critical Design Review (CDR). The CDR shall be a formal presentation to FBGPTRA covering the DDD on how the design and development of the Software and Hardware meet all project delivery, functional, and performance requirements. The CDR shall also include information on identified risks and the associated mitigation, and review the quality assurance methods that will verify and screen the implementation of the designed System. The CDR presentation shall last no more than one business day. Topic for the CDR should include, but not limited to, the major sections included in the DDD.

Project Management Plan. Xerox will submit a Project Management Plan (PMP) to the FBGPTRA within thirty (30) days following the issuance of the notice to proceed. The PMP, once approved, will be used as a guide to both project execution and control, capturing the entire project end to end. The PMP shall include, but not limited to the following topics:

- Overview
- Scope (Requirements, deliverables, work breakdown structure)
- Schedule (Activities and project milestones)
- Communication (Communication type and channels for reporting)
- Roles and Responsibilities
- Issue escalation process
- Risk management plan

The PMP shall be reviewed and updated (as required) by Xerox every thirty (30) days following the issuance of the notice to proceed.

Quality Assurance Plan. Xerox will submit a Quality Assurance Plan (QAP) to the FBGPTRA within thirty (30) days following the issuance of the notice to proceed. The QAP, once approved, will be used as a guide to the planned and systematic activities used to verify requirements have/will be fulfilled for the length of the project. The QAP shall include but not limited, to the following topics:

- Quality management organizational structure
- Roles and Responsibilities
- Approach to software quality assurance
- Approach to hardware quality assurance
- Approach to installation quality assurance
- Approach to resource quality assurance
- Reporting (How and when)

The QAP shall be reviewed and updated (as required) by Xerox every thirty (30) days following the issuance of the notice to proceed.

System Requirements Document. Xerox will submit a System Requirements Document (SRD) to the FBGPTRA within thirty (30) days following the issuance of the notice to proceed. The SRD, once approved, will be used validate the system is able to meet the functional and technical requirements set forth by FBGPTRA. The SRD will be used as a reference during each phase of the testing lifecycle. The SRD shall include, but not limited to the following topics:

- Listing and categorizing of all software functional requirements
- Listing and categorizing of all software related technical requirements
- Description of all functional aspects of the system

Integration Plan. Xerox will submit an Integration Plan to the FBGPTRA within ninety (90) days following the issuance of the notice to proceed. The Integration Plan, once approved, will be used as a guide to evaluate the integration of the VPC with that of the toll system. The Integration Plan shall include, but not limited to the following topics:

- Integration outline
- Integration schedule
- Integration tasks
- Key decision points (To assess project progress)

User/Training Manual. Xerox will submit a User/Training Manual to the FBGPTRA within ninety (90) days following the approval of the Detail Design Document. The User/Training Manual, once approved, will be used as a guide for new users on the system, and shall be used when training new or existing staff. The User/Training Manual shall include, but not limited to the following topics:

- Description of the training program
- Purpose of the training program
- Qualification for training leader/participant
- Training activities and lessons

Master Test Plan. Xerox will submit a Master Test Plan (MTP) to the FBGPTRA within forty-five (45) days following the issuance of the notice to proceed. The MTP, once approved, will describe each of testing phases in detail, and how each of the phases will be used to validate the system against requirements. The MTP shall include, but not limited to the following topics:

- List and description of each testing phase
- Sample procedures
- Sample test report
- Testing schedule

Standard Operating Procedures. Xerox will submit Standard Operating Procedures (SOP) to the FBGPTRA within sixty (60) days following the approval of the Detail Design Document. The SOP will describe Xerox's standard processes and procedures by providing step-by-step instructions that enable FBGPTRA to understand how the VPC operates on a daily basis. While the SOP is not required to be specific to FBGPTRA, it should provide enough detail that FBGPTRA can understand how the VPC will operate business on day in and day out basis. The SOP should serve as a

framework for organizational policy and written documentation of best practices. It should be used as the primary foundation for job descriptions, employee training, corrective action and discipline, and performance.

Exhibit B

COMPENSATION

Pricing and Payment Schedule

Implementation Milestone Payments

Criteria	Percentage	Milestone Amount	Expected Completion Date
Notice to Proceed / Mobilization	10%	\$176,534	5/1/2013
System Requirements Document (SRD)	10%	\$176,534	5/30/2013
Detail Design Document (DDD)	10%	\$176,534	7/10/2013
Development Complete	10%	\$176,534	9/9/2013
ProtoType Testing Complete	20%	\$353,067	10/18/2013
Interface Test	20%	\$353,067	11/1/2013
System readiness test	15%	\$264,801	12/31/2013
System Acceptance	5%	<u>\$ 88,267</u>	3/2/2014
Total	100%	\$1,765,337	

Operational Payments – begins upon commencement of operations

FIXED FEES

Monthly Fixed Fee for Violations Processing \$121,245.50

Monthly fixed fee for violations processing will increase incrementally at a cost of \$0.75 per transaction when violation transactions exceed 66,000 in a given month for three consecutive months. With the fourth month occurrence and each subsequent month, regardless of fluctuation in volumes, Xerox will bill an additional \$0.75 per each transaction over 60,000.

VARIABLE FEES

Monthly charges also include per item costs for the following items processed by Xerox in a given month.

1. Image review - \$0.0921 per transaction reviewed
2. Toll Violation notice - \$1.209 per violation notice mailed
3. Court Package - \$9.54 per court package delivered

4. Collections - The monthly charges for Collections will be based upon a revenue share formula.

- For the first year of collection activity FBGPTRA will pay Xerox twenty-one (21%) percent of all non-toll revenue collected from toll violations sent to collections.
- For years two and three of the operations FBGPTRA will pay Xerox twenty-one (21%) of all non-toll revenue collected from toll violations sent to collections for an achieved collection rate up to 30%. FBGPTRA will pay Xerox thirty per cent (30%) of all non-toll revenue collected from toll violations sent to collections when the achieved collection rate exceeds 30% in a given month (see following table). FBGPTRA will pay Xerox thirty-five per cent (35%) of all non-toll revenue collected from toll violations sent to collections when the achieved collection rate exceeds 35%. FBGPTRA will pay Xerox forty per

cent (40%) of all non-toll revenue collected from toll violations sent to collections when the achieved collection rate exceeds 40%.

Achieved collection Rate	Revenue share %
Less than 30%	21%
Greater than 30%	30%
Greater than 35%	35%
Greater than 40%>	40%

Note 1: Annually, on the Contract anniversary, the fixed monthly fee, excess additional transaction fee, image review fee, toll violation notice, and court packages delivered fee will increase by the CPI-U published for the nearest contract anniversary date (operational anniversary) for the Houston-Galveston-Brazoria Index.

Pricing Assumptions, Clarifications and Scope of Work Information

Xerox has made a number of assumptions in the preparation of our Technical and Price Proposals. The assumptions were derived from the information provided by FBGPTRA in the RFQ, Addenda to the RFQ, Responses to Proposer's Questions, Pre-proposal Site Visits and the extensive experience Xerox has obtained as a processor of toll violations throughout the country; including collections.

General

Acceptance Criteria (Implementation Period). Xerox expects that the Acceptance Criteria for Implementation Milestones will be finalized and will include: start/end dates, quantifiable and measurable deliverables, and not be subjective in nature.

VPC Operations

Credit Card and Banking Fees. Xerox has assumed that all credit card processing and banking fees, including those associated with a cash payment network, will be paid directly by FBGPTRA. These costs are not included in this proposal and are not considered pass-through costs.

DMV Hold. Xerox based its price on the specific estimated quantity provided in the FBGPTRA price form (Line 4.2 Initiate Registration Hold – 5 per month). Xerox would expect additional compensation should this volume increase by more than 100% in any month. Additionally, Xerox has not included costs for a direct interface to the identified DMV's in the RFQ.

SSAE16 / PCI Compliance Audits. Xerox is proposing that the work performed for FBGPTRA will be done in a shared service environment with other Xerox clients. The location proposed already has annual and periodic SSAE 16 and PCI Compliance Audits. It is assumed that FBGPTRA will accept the audit findings performed for the facility as whole and that for costing purposes, only those audit tests specific to

FBGPTRA have been included in this proposal. Should FBGPTRA desire a stand-alone audit report, Xerox would expect FBGPTRA to pay the associated difference.

Vehicle Photo Image Size. Image size has been assumed to be 50kb for purposes of system sizing. If this assumption varies by more than 10%, pricing adjustments may be required. Xerox has assumed that an average of 7 image sets, and a maximum of 12 image sets, each set containing one overview and one region of interest image, will be received and that images received will yield a reject rate not to exceed 5%.

Violation Processing Timeline. For purposes of calculating performance against standards, receipt date will be calculated from the time Xerox receives a valid image file and/or transaction information, whichever comes latest from the lane/host system.

EXHIBIT C

INSURANCE REQUIREMENTS

Xerox agrees to procure and to maintain in force and effect during the term of this Agreement the following insurance policies and minimum limits of liability:

(a) Workers' Compensation insurance in accordance with the laws of the State of Texas, or state of hire/location of Services, and Employers' Liability coverage with a limit of not less than \$500,000 each employee for Occupational Disease, \$500,000 policy limit for Occupational Disease; and Employer's Liability of \$500,000 each accident. Xerox may comply with this requirement by maintaining an alternative, non-subscriber plan of workers' compensation benefits in compliance with the laws of the State of Texas.

(b) Commercial General Liability insurance including coverage for Products/Completed Operations, Blanket Contractual, Broad Form Property Damage, Personal Injury/Advertising Liability, and Bodily Injury and Property Damage with limits of not less than:

\$3,000,000	general aggregate limit
\$2,000,000	each occurrence, combined single limit
\$2,000,000	aggregate Products, combined single limit
\$2,000,000	aggregate Personal Injury/Advertising Liability
\$50,000	Fire Legal Liability

(c) Business Automobile Liability coverage applying to owned, non-owned and hired automobiles with limits not less than \$1,000,000 each accident or occurrence combined single limit for Bodily Injury and Property Damage combined.

(d) Umbrella Excess Liability insurance written as excess of the Employer's Liability, Commercial General Liability, and Business Automobile Liability policies listed above, with limits not less than \$3,000,000 each occurrence and aggregate.

EXHIBIT D

PERFORMANCE OBJECTIVES

EXHIBIT D

Performance Objectives

The following table contains the negotiated performance objectives and penalties per the following assumptions:

- Performance Objective compliance is applicable to only those areas under Xerox control and is null under any condition where a non-Xerox contracted third party provider prohibits Xerox performance
- Performance tracking will commence at commencement of operations however penalties/withholds are subject to a 60 day stabilization period
- Penalties will not apply during mutually agreed upon reasonable periods before and after the introduction of a system build requiring the controlled management of system jobs and operational processing
- All periods of scheduled maintenance will be added to the calculated period of any impacted time sensitive performance objective measured where applicable
- Damages associated with Implementation are capped at \$10,000 for missing the date and \$1,000 per day up to a maximum of 10% of the total Milestone Implementation Payment including any amendment
- Damages resulting from monthly performance measures (items 2 - 16 on Attachment D) are capped at 10% of the total monthly billing for operational payments including fixed and variable costs

PO #	Category	Performance Objective	Required Service (Task or Deliverable)	Performance Standard	Measurement Period/Unit Measured	Method of Surveillance	Positive/Negative Incentive % for NOT meeting AQL
		<i>This is the desired outcome. (What do we want to accomplish as the end result of this contract)</i>	<i>What task must be accomplished to give us the desired result?</i>	<i>Error Rates, Accuracy Rates, Completion of Milestones, Cost Control, Staying within the targeted cost</i>			
1	Implementation	Initiation of Violation Processing Center in accordance with negotiated contract	Proposer shall begin VPC operations in accordance with the negotiated schedule	Violation processing for all contracted lanes	One time at system ready schedule date	System Reports	\$10,000 initial Liquidated Damage and \$1,000 per day for each subsequent day of delay
2	System	Within 48 hours reviewing image, process plates	Non-code off images	97%	Monthly/Vio Txns w/Reviewed Images sent for	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-

		to either DMV or the host			processing		compliant day
3	System	Within 5 business days of receipt of an address from DMV and reaching the predetermined threshold mail violation notice		97%	Monthly/Vio Txns w/DMV N&A AND reached threshold mailed	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day
4	System	Maintain an accuracy rate of notices to violators of 99.9%	Bad notice = sent to a non-violator, sent to an exempt vehicle, sent to a known bad address, notice contains wrong fee or toll amount	n/a	n/a	Monthly System report to be determined	\$1,000 penalty for the first 1000 notices sent to non-violators based on Xerox system or staff failure and for each 1000 thereafter
5a	System	Success rate in transmitting (frequency and deadline to be negotiated)	• Flagrant violators list	97%	Monthly/file	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day
5b	System	Success rate in receiving, and processing all system data	• Violation Transactions • Images	97%	Monthly/file	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day
5c	System	Success rate in receiving,	• Tag/plate	97%	Monthly/file	Monthly System	If monthly average <97%

		and processing all system data	list			report to be determined	compliant then \$500 per non-compliant day
6	System	System availability	The system (consisting of Vector during FBGPTRA VPC business hours and WEB/IVR 24/7) to be available excluding required periods of system maintenance	98%	Monthly/System availability during Operating hours	Monthly System report to be determined	\$1,000 per month
7	Systems	% of violation transactions subject to collections initiated subsequent to 45 day 1st Notice period within 2 business days		97%	Monthly /Vio Txns <45 days where NO Payment or PARTIAL Payment is made	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day
8	Operations	Perform image review of reviewable images within 3 business days of receipt of the latter of the corresponding transaction		97%	Monthly/Vio Txns matched to reviewable txns	Monthly reconciliation report between systems to be determined	If monthly average <97% compliant then \$500 per non-compliant day

		and image file(s)					
9	Operations	Deposit of processable violation fees and tolls within 2 business days of receipt (contingent on FBGPTRA's bank location(s) and procedures)		>99.9%	Monthly	Monthly System report to be determined	The performance of the contractor in meeting this goal will be a significant criteria used for the award of contract renewals
10a	Operations	Customer service	Problem resolution attributable to all customer channels	95% within 3 days; 100% within 10 days	Monthly		The performance of the contractor in meeting this goal will be a significant criteria used for the award of contract renewals
10b	Operations	Customer service	Disputed collection items returned to FBGPTRA from receipt of documentation	Returned within 2 business day	Monthly		The performance of the contractor in meeting this goal will be a significant criteria used for the award of contract renewals
10c	Operations	Customer service	Timely submittal of required reports	Within 2 business day of negotiated requirement	Monthly		The performance of the contractor in meeting this goal will be a significant criteria used for the award of contract

							renewals
11	Operations	Available dedicated law enforcement telephone line. 5day/12hr support (subject to CSC holiday schedule)		99.9%	Per Incident	Police Report/Incoming Call Detail Report	\$100 per incident in which support is unavailable
12	Operations	Court packages prepared within 3 business days post 90 days in collections (collections maturity date) as explicitly directed by FBGPTRA		97%	Monthly/Court Packages prepared	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day
13	Operations	Call Service	maintain a monthly call service level of 80% answered within 45 seconds	=>80%	Monthly/Calls Answered	Monthly System report to be determined	If monthly average <80% compliant then \$500 per non-compliant day
14	Collections	Calls made to validated non-cellular phone number	Up to a Minimum of a phone attempt every 3 business days made during the 90 days	97%	Monthly/Calls made	Monthly System report to be determined	If monthly average <97% compliant then \$500 per non-compliant day

15	Collect ions	Collections	Ratio of violation transactions collected or resolved to violation transactions escalated to collection. Resolved includes recalls, deceased, sold, bankruptcy, dismissed/ waived, negotiated paid part or collected in full	30% resolved within 365 days	Monthly after 1 year	Monthly System report to be determined	The performance of the contractor in meeting this goal will be a significant criteria used for the award of contract renewals
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