

AGREEMENT FOR THE DURATION, RATE, AND ALLOCATION OF SALES AND USE TAX

This Agreement for the Duration, Rate, and Allocation of Sales and Use Tax (the "Agreement") is made and entered into by and between the Village of Fairchilds (the "City"), Fort Bend County, Texas (the "County"), and Fort Bend County Assistance District No. 23 ("FBCAD No. 23").

RECITALS

WHEREAS, the City requires the execution of this Agreement as a condition to its consent for the creation of FBCAD No. 23;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the parties agree as follows:

AGREEMENT

Section 1. General. The City consented to the creation of FBCAD No. 23 on _____, 2021. The City, the County and FBCAD No. 23 agree that FBCAD No. 23's imposition of sales and use tax within the boundaries of FBCAD No. 23 shall be governed by the terms of this Agreement. The City, the County, and FBCAD No. 23 agree that FBCAD No. 23 may perform the following functions in FBCAD No. 23: (1) the construction, maintenance, or improvement of roads or highways, (2) the provision of law enforcement and detention services, (3) the maintenance or improvement of libraries, museums, parks, or other recreational facilities, (4) the provision of services that benefit the public health or welfare, including the provision of firefighting and fire prevention services, or (5) the promotion of economic development and tourism. Should FBCAD No. 23 seek to include roads, public right-of-way, or County property pursuant to Section 387.0031 of the Texas Local Government Code, as amended, the City shall consent to such inclusion.

Section 2. Duration. The City will not annex any land within the boundaries of FBCAD No. 23 for full purposes earlier than forty-five (45) years from the Effective Date of this Agreement (the "Earliest Termination Date").

In the event the City annexes a portion of FBCAD No. 23 for full or limited purposes, the City must provide the County and FBCAD No. 23 with six (6) months' notice of any such annexation. In the event the City annexes a portion of the District for limited or full purposes, the City will provide the County and the CAD with one hundred twenty (120) days' notice of any such annexation and, as of the annexation date, the area annexed shall be automatically excluded from the boundaries of the CAD.

In the event a municipal management district operating under Chapter 375 is established in any portion of FBCAD No. 23 (the "MMD"), or annexes land within FBCAD

No. 23, FBCAD No. 23 agrees to take all necessary steps to exclude any such area to ensure no overlap exists between FBCAD No. 23's boundaries and the MMD's boundaries.

Section 3. Rate and Allocation. The sales and use tax imposed by FBCAD No. 23 may not exceed two (2.0) percent, subject to Section 2 above, and may only be used for lawful purposes within the boundaries of FBCAD No. 23. FBCAD No. 23 is not required, and the City agrees that it is not entitled to, any allocation of the sales and use tax collected by FBCAD No. 23. Should the City annex any portion of the CAD for full purposes or limited purposes, and should such property not be excluded from the CAD pursuant to Section 2 above, the CAD agrees to reduce the sales and use tax to one and a half (1.5) percent over the entire CAD area.

Section 4. Bonds or obligations. Neither the County nor FBCAD No. 23 may issue or enter into bonds, notes, or other obligations extending beyond the Earliest Termination Date, if such bonds, notes, or other obligations are secured by a pledge or other encumbrance or lien on the sales and use tax collected by FBCAD No. 23.

Section 5. Termination of Agreement. This Agreement is to remain in full force and effect unless terminated by mutual agreement of the parties hereto. Notwithstanding the above, if the City annexes the entirety of FBCAD No. 23 for full purposes the Agreement shall terminate.

Section 6. Entire Agreement; Modification. This Agreement constitutes the entire agreement between the City, the County, and FBCAD No. 23 concerning the duration, rate, and allocation of the imposition of sales and use tax by FBCAD No. 23. There have been and are no agreements, covenants, representations, or warranties between the parties other than those expressly stated or provided for herein. No modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on any party unless reduced to writing and signed by the parties.

Section 7. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the City, the County, and FBCAD No. 23 and shall not be construed to confer any benefit or right upon any other party, including particularly any resident of FBCAD No. 23, the County, or the City.

Section 8. Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any other person or circumstance shall ever be held by any court of competent jurisdiction to contravene or be invalid under the constitution or laws of the State of Texas for any reason, that contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, the rights and obligations of the parties shall be enforced accordingly, and this Agreement shall remain in full force and effect, as construed. The remainder of this Agreement and the application of such word, phrase, clause, sentence,

paragraph, section, or other part of this Agreement to the other parties or circumstances shall not be affected thereby.

Section 9. Successors and Assigns. This Agreement shall apply to and be binding upon the parties hereto and their respective officers, directors, successors, and assigns. This Agreement and any of the rights obtained hereunder are not assignable by any party hereto without the express written consent of the other parties, which consent shall not be unreasonably withheld.

Section 10. Authorization. Each party represents that (i) execution and delivery of this Agreement by it has been duly authorized by its governing body or other persons from whom such party is legally bound to obtain authorization; (ii) that the consummation of the contemplated transactions will not result in a breach or violation of, or a default under, any agreement by which it or any of its properties is bound, or by any statute, rule, regulation, order, or other law to which it is subject; and (iii) this Agreement is a binding and enforceable agreement on its part.

Section 11. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

Section 12. Effective Date. This Agreement will be effective as of the date of the execution by the last party to execute this Agreement (the "Effective Date").

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple counterparts, each of which shall be deemed to be an original.

FORT BEND COUNTY, TEXAS

By: _____

County Judge

Date:

ATTEST:

By: _____
County Clerk

APPROVED AS TO FORM:

_____, County Attorney

**FORT BEND COUNTY ASSISTANCE
DISTRICT NO. 23**

By: _____

Title: _____

Date: _____

ATTEST:

By: _____

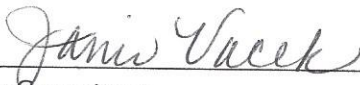
Title: _____

VILLAGE OF FAIRCHILD, TEXAS

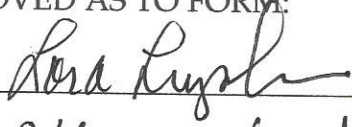
By: 
Mayor

Date: 12-16-21

ATTEST:

By: 
City Secretary

APPROVED AS TO FORM:

By: 
Attorney for Village

COUNTERSIGNED:

By: _____
City Controller

DATE COUNTERSIGNED: _____