

**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 City of Stafford, Texas (the "City"), Fort Bend County, Texas (the "County"), and Fort Bend County Assistance District No. [ ] (the "District"), Fort Bend County, Texas.

**RECITALS**

WHEREAS, the County's Commissioners Court sent notice to the City pursuant to Local Government Code Section 387.003 of: (1) its intent to create the District; and (2) the City's right to send notice of the City Council's right to exclude the municipal territory from the District within forty-five (45) days the City's receipt of the County's notice; and

WHEREAS, the City, the County and the District desire to enter into this Agreement as a condition of the City's election not to exclude its extraterritorial jurisdiction from the boundaries of the District.

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

**AGREEMENT**

**Section 1. General.** The City, the County and the District agree that the District's imposition of sales and use taxes within the boundaries of the District shall be governed by the terms of this Agreement.

A. The City, the County and the District agree that the District is authorized to enter into an agreement regarding the duration, rate and allocation between the District and the City of sales and use taxes under Local Government Code Section 387.006.

B. Although the District is authorized to engage in activities set forth in Sections 387.003 and 387.006 of the Texas Local Government Code, the City, the County, and the District agree that any proposed economic development and tourism projects to be performed by the District must be presented to the City for its consent. The City's consent shall be provided by resolution or ordinance.

**Section 2. Duration.** In the event the City annexes any portion of the District for full purposes, the City will provide the County and the District 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 District.

Section 3. Rate and Allocation. The sales and use tax imposed by the District may not exceed two (2) percent, and may only be used by the District to perform the statutorily authorized functions in the District. The sales and use tax imposed by the District may not exceed two (2) percent.

Section 4. Bonds or obligations. Neither the County nor the District may issue or enter into bonds, notes, or other obligations extending beyond September 30, 2049, 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 the District. If the City annexes for full purposes an area of the District encumbered by bonds, notes, or other obligations secured by a pledge or other encumbrance or lien on the District's or County's allocation of the sales and use tax, the City will be obligated to pay the obligation from its sales and use tax allocation the amount attributable to the area annexed for full purposes.

Section 5. Boundaries and Annexation. The City hereby consents to the inclusion of public right of way used for road purposes and County-owned property and facilities located within the municipal boundaries of the City which will not generate sales and use tax revenue. The inclusion of such property will allow the District to spend its revenue and perform its functions on the non-sales and use tax revenue generating property used for public purposes. There will be no imposition of the sales and use taxes applicable to such that would exceed the maximum combined rate of sales and use taxes imposed by political subdivisions of this state prescribed by Sections 321.101 and 323.101 of the Texas Tax Code.

Section 6. Termination of Agreement. This Agreement is to remain in full force and effect unless terminated by mutual agreement of the parties hereto or by operation of the terms contained herein. Notwithstanding the above, if the City annexes the entirety of the District for full purposes the Agreement shall terminate.

Section 7. Entire Agreement; Modification. This Agreement constitutes the entire agreement between the City, the County, and the District concerning the duration, rate, and allocation of the imposition of sales and use tax by the District. 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 8. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the City, the County, and the District and shall not be construed to confer any benefit or right upon any other party, including particularly any resident of the District, the County, or the City.

Section 9. 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 10. 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 11. 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 12. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

Section 13. Effective Date. This Agreement will be effective as of the date of the execution by the last party to execute this Agreement.

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

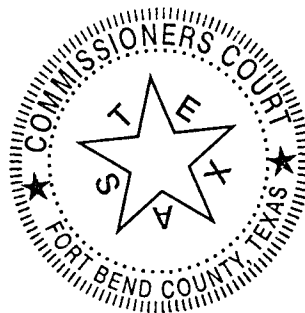
FORT BEND COUNTY, TEXAS

By:   
KP George, County Judge

Date: 2-5-2019

ATTEST:

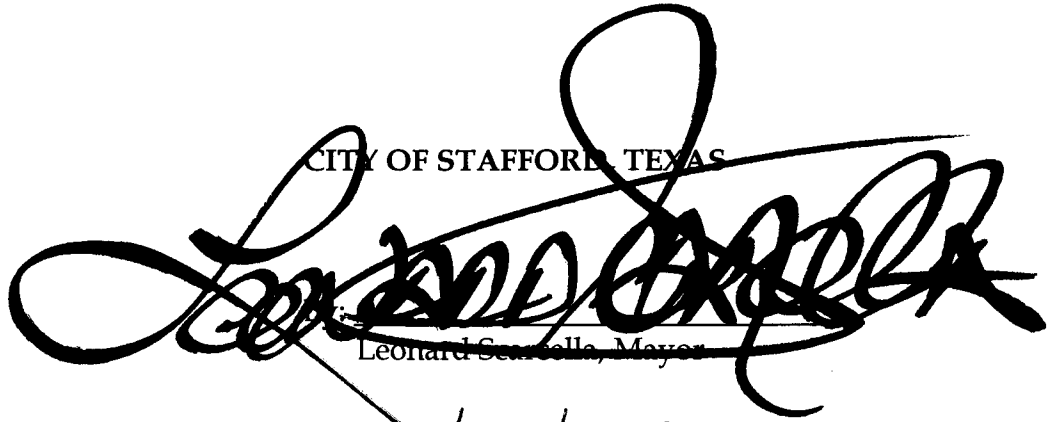
By: *Laura Richard*  
Laura Richard, County Clerk



APPROVED AS TO FORM:

*Marcus D. Spencer*  
Marcus D. Spencer, First Assistant County Attorney

CITY OF STAFFORD, TEXAS



Leonard S. Scudella, Mayor

Date: 1/24/2019

ATTEST:

By: Tomika R. Lewis  
Tomika R. Lewis, City Secretary