

**BILLING AND COLLECTION SERVICES AGREEMENT
PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT**

The City of Hutto, Texas, a home rule municipal corporation (“City”) and Williamson County, Texas, a political subdivision of the State of Texas (“County”), each a “Party” and collectively the “Parties”, enter into this Billing and Collection Services Agreement (the “Agreement”) for the purpose of governing the billing and collection services related to the Prairie Winds Public Improvement District, (the “District”) as authorized and administered by the City.

RECITALS

WHEREAS, the City authorized the creation of the District via Resolution No. R-2023-140 pursuant to Section 372.010 of the Texas Public Improvement District Act (the “PID Act”);

WHEREAS, the City may, from time to time, alter the boundaries of the District and this Agreement shall remain in full force and effect until terminated in accordance with the terms contained herein;

WHEREAS, the City adopted a Service and Assessment Plan apportioning the costs of planned services and authorized improvements among the parcels of real property located within the boundaries of the District and prepared a correlating Assessment Roll stating the amount of the Assessment due from each parcel, pursuant to Section 372.016 of the PID Act;

WHEREAS, the City published and mailed required notices, held a public hearing, heard and passed on all objections to a proposed Assessment, and, by ordinance, levied the Assessments against such parcels as a special assessment on the property in accordance with Section 372.017 of the PID Act, providing that the Assessments may be paid in annual installments; and

WHEREAS, the Parties find that it is in the mutual interests of the citizens of both the City and the County to enter into this Agreement to govern the billing and collection of the Assessments, as authorized under Section 372.0175 of the PID Act and pursuant to Texas Government Code Chapter 791, the Intergovernmental Cooperation Act.

NOW, THEREFORE, in consideration of the mutual promises stated herein, the Parties agree as follows:

I. RECITALS

The recitals set forth above are true and correct and incorporated herein and made a part hereof as findings for all purposes.

II. DEFINITIONS

“Annual Parcel Fee” means the County-calculated annual fee for each parcel in the District that is billed for an installment of an Assessment, to be paid by the City to compensate for the Billing and Collections Services contemplated herein.

“Assessments” means both the full apportioned cost of the planned services and improvements due from each parcel according to the Assessment Roll and the annual installments due from each parcel, whether fixed or determined annually.

“Assessment Roll” means the documentation attached to the Service and Assessment Plan, as may be amended, in compliance with the Texas Local Government Section 372.016, reflecting the total dollar amount of the Assessment(s) as levied against the District as a whole and/or any individual parcels contained therein.

“Billing and Collections Services” means the administrative, financial, and operational activities performed by the County on behalf of the City for the purposes of billing, collecting, processing, and remitting Assessments.

“City Council” means the City Council of the City.

“Effective Date” means the date upon which the last of each of the Parties have approved and duly executed this Agreement.

“Extended Term” means any and all subsequent one (1) calendar year terms commencing at the expiration of the Initial Term and renewing at the expiration of each successive Extended Term unless terminated in accordance with the terms contained herein.

“Initial Term” means the term beginning October 1, 2026 and extending through one (1) calendar year period, terminating on October 1, 2027.

“Parcel(s)” means a portion of land located within the Public Improvement District and identified either by (1) a tax map identification number as assigned by the Williamson County Appraisal District or (2) by lot and block number in a final subdivision plat recorded in the real property records of Williamson County.

“Service and Assessment Plan” or “SAP” means the document adopted by the City Council, as may be amended, pursuant to Section 372.014 of the Texas Local Government Code and hereby incorporated by reference.

“Tax Assessor-Collector” means the Williamson County Tax Assessor Collector, an elected official responsible for assessing and collecting property taxes within Williamson County, Texas, and the official representative of the County in this Agreement.

“Public Improvement District Assessment Act” or “PID Act” means Chapter 372 of the Texas Local Government Code.

III. AGREEMENT SCOPE

3.01 AGREEMENT SCOPE

This Agreement contemplates the County’s provision of billing and collection services for Assessments from the Effective Date and continuing through the termination or expiration of this Agreement. The Parties agree to the following:

- (a) City.
 - i. The City authorizes the County, acting exclusively through the Williamson County Tax Assessor-Collector, to bill and collect annual installments of the Assessments and to represent the City for all purposes related to the billing and collection of such installments, unless otherwise provided herein.
 - ii. If the City has not done so prior to the Effective Date, then the City shall, after the Effective Date and prior to the County’s mailing of the first bills for annual installments of the Assessments, notify the owner(s) of each parcel(s) within the District, with the exception of exemptions, by first class mail that the subsequent installments of the Assessment on the

owner's property will be billed by and paid to the Tax Assessor-Collector until the owner is notified of the termination of this Agreement.

- iii. The City hereby expressly authorizes the County to contract on its behalf with private legal counsel for the collection of any delinquent installments of an Assessment, said private counsel being the same contracted by the County for the collection of delinquent property taxes. The maturity of subsequent installments will not accelerate following a default in payment.
- iv. If a suit for delinquent installments of an Assessment and delinquent taxes on the property are filed simultaneously, the City recognizes and agrees that any resulting ad valorem tax lien is superior to an assessment lien on the property in accordance with Section 372.018(b)(2) of the PID Act. Furthermore, the lien runs with the land, and that portion of the assessment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien, according to Section 372.018(d).

(b) County.

- i. The County shall perform all of the duties of the City related to the billing and collection of the installments provided in the Service and Assessment Plan and Texas law.
- ii. The County shall send monthly collection reports to the City, prepare tax certificates, develop and maintain delinquent assessment rolls for the City, and provide copies of all records related to the services that the County provides under this Agreement.
- iii. The County shall to obtain a surety bond for the County's Tax Assessor-Collector to assure proper performance of the duties of the County under this Agreement. Such bond shall be payable to the County in the sum of one hundred thousand dollars (\$100,000.00) unless state statutes require a larger sum and shall be executed by a solvent surety company.
- iv. The County, pursuant to the duties delegated under Section 3.01(a)(iii), above, shall retain all attorney's fees, costs, and expenses related to the filing of a suit for foreclosure.

3.02 EXCLUSIONS

This Agreement shall not include billing and collection services for the following:

- (a) Assessments in amounts other than annual installments;
- (b) Any installments of the Assessments that are for years for which the tax lien on the property has been transferred by the County to a transferee at the request of the owner in accordance with Section 32.06 of the Texas Tax Code; and
- (c) Any Assessments on property for which the owner has deferred collection of the property taxes on the property as allowable under Sections 33.06 and/or 33.065 of the Texas Tax Code.

The billing and collection of (a)-(c), above, shall remain the responsibility of the City.

3.03 TERM

This Agreement shall be effective upon the Effective Date and shall automatically renew and extend for an additional one (1) one calendar year unless:

- (a) A Party terminates the Agreement by providing written notice of termination to the other Party no later than ninety (90) calendar days prior to the expiration of

the Initial Term; or

- (b) A Party terminates the Agreement by providing written notice of the termination to the other Party no later than ninety (90) calendar days prior to the expiration of the then current Extended Term.
- (c) If written notice of termination is given in accordance with the terms of this Section 3.03, the Parties agree that the Agreement shall remain in effect for the remainder of the term in which notice is given and shall remain in effect with respect to any Assessment for which suit to foreclose the assessment lien has been filed, until the suit is dismissed or a sale of the property to carry out the foreclosure has occurred, and the proceeds have been collected.

IV. ASSESSMENTS

4.01 ASSESSMENT DATA

- (a) The Parties agree to the following:
 - (i) On or before September 1st of each calendar year that this Agreement is effective, the City shall provide the County the specific dollar amount of the annual Assessment installment due against each parcel of real property in the District, unless otherwise exempted.
 - (ii) The calculation of annual installments will be based on the ownership defined by the current tax appraisal roll of the Williamson County Appraisal District for the year of the installment.
 - (ii) If the City fails to provide the Assessments to the County by September 15th of the Initial Term or any Extended Term, the Agreement may be terminated by the County upon written notice to the City.
- (b) The City, as it relates to the provision of Assessment data, agrees to the following:
 - (i) The City shall provide the data in an electronic format compatible with the County's format of property tax records. The County shall notify, with a minimum of ninety (90) calendar day notice, the City of any required format change in the electronic file.
 - (ii) The initial delivery of the assessment data by the City to the County shall also include a record of all payments made on the Assessments, if any, during the proceeding five (5) calendar years.
 - (iii) The City shall notify the County of any adjustments of the annual Assessment installments and shall be responsible for paying any refunds that result from such adjustments.
 - (iv) The City shall determine exemptions, calculate the amounts of the annual installments of Assessments, and compute the cumulative balances of the Assessments. Any assessments other than the annual installments will remain the responsibility of the City.
- (c) The County, as it relates to the facilitation of Assessment data, agrees to the following:
 - (i) The County shall not be responsible for the billing and collection services related to the collection of anything other than the annual Assessment installments.
 - (ii) The County shall make available to the city a continuous online disbursement report summarizing the payments collect.

4.02 BILLING OF ASSESSMENTS

The Tax Assessor-Collector shall bill the annual installments of the Assessments to the property owners by including the amount of the installment as a line item in the consolidated property tax bill mailed by the Tax Assessor-Collector to each owner of real property within the District.

4.03 COLLECTION OF ASSESSMENTS

- (a) The Tax Assessor-Collector shall, during the term of this Agreement, collect the installments of the Assessments, deduct the Annual Parcel Fee, and remit the remainder to the City by electronic funds transfer. If any payments are received by the City for amounts billed by the County on the City's behalf, the City shall remit those amounts to the County. The City shall notify the County if any Assessment is prepaid to the City, in full or in part.
- (b) Billing and collection of installments of Assessments on property for which the tax lien has been transferred to a transferee or that is subject to deferral of collection of taxes will remain the responsibility of the City.
- (c) The Tax Assessor-Collector and private legal counsel contracted by the County for the collection of delinquent property taxes shall also provide services to collect any delinquent installments of the Assessments. These services may include foreclosure on a lien securing the Assessments and filing suits for foreclosure of the lien securing the Assessment.
 - (i) All terms of Section 372.018 of the PID Act and provisions of the Texas Tax Code with respect to payment, refunds, delinquency, penalties and interest, waiver of penalties and interest, costs and expenses of collection, attorney's fees, personal liability, installment payment of delinquent amounts, suits, lien foreclosure, limitation of collection, redemption, and other matters related to the collection of property taxes will also apply to the collection of the installments of Assessments, except for the following: Texas Tax Code Section 32.06 on property tax loans and the transfer of tax liens and Texas Tax Code Sections 33.045, 33.06, and 33.065 on the deferral of collection of property taxes on certain residential homesteads will not apply.
 - (ii) Any partial collection of delinquent taxes and delinquent installments of Assessments will be divided pro-rata among the Parties imposing the taxes and the Assessment without preferring one entity over another.

V. PAYMENT FOR BILLING AND COLLECTION SERVICES

5.01 PAYMENT FOR BILLING AND COLLECTION SERVICES

Payment for Billing and Collection Services provided under this Agreement shall be subject to the following:

- (a) The City agrees to pay the County the Annual Parcel Fee for each parcel in the District that is billed for an installment of an Assessment in an amount to be set annually by the Tax Assessor-Collector.
- (b) The Annual Parcel Fee shall not exceed the parcel fee set for the same year for the billing and collection of property taxes by the Tax Assessor-

Collector.

- (c) The City agrees that the County may deduct the amount of the Annual Parcel Fee from the amount of the first installments collected prior to the remittance of the collection to the City.
- (d) The Annual Parcel Fee will be retained by the County to defray the costs of billing and collection of the Assessments.

5.02 OTHER INCURRED COSTS

- (a) The County shall, if it expects to incur any actual additional costs related to discharging its duties under this Agreement, provide the City with written notice of the proposed additional costs at least ninety (90) calendar days prior to implementation of such costs. The City, in its sole discretion, may agree to the proposed additional costs or provide notice of termination under this Agreement within ninety (90) calendar days of receipt.
- (b) The Parties agree that any notice of proposed additional costs shall include documentation of sufficient detail outlining the proposed increases and the reasons for said increases.

VI. MISCELLANEOUS

6.01 NOTICES

Any notice required under this Agreement shall be deemed delivered when deposited either in the United States mail (postage paid, certified, return receipt requested) or with a common carrier (overnight, signature required) to the appropriate parties below.

County

Williamson County Tax Office
Attn: Williamson County Tax Assessor-Collector
904 S. Main Street
Georgetown, Texas 78626

City

The City of Hutto
Attn: City Manager
500 West Live Oak Street
Hutto, TX 78634
Email: James.Earp@Huttotx.gov

With copy to:

Bojorquez Law Firm, PC
Attn: Alan Bojorquez, City Attorney
11675 Jollyville Road, Suite 300
Austin, Texas 78759
Email: dottie@texasmunicipallawyers.com

6.02 ASSIGNMENT

Parties must not assign, transfer, or delegate any rights, obligations, or duties under this Agreement without the prior written consent of the other. Any attempted assignment, transfer; or delegation in violation of this provision is void and without effect.

6.03 AMENDMENT

This Agreement may be amended only by the mutual written agreement of the Parties. The Parties understand and agree that all amendments are subject to final approval by City Council.

6.04 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties. To the maximum extend permitted under the law, no terms shall be implied by operation of law or otherwise. This Agreement shall supersede all previous communications, representations, or agreements, either oral or written.

6.05 GOVERNING LAW AND VENUE

This Agreement, and all rights and obligations of the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Texas, exclusive of conflict of law provisions. Venue of any suit brought under this Agreement shall be in a court of competent jurisdiction in Williamson County, Texas. Parties irrevocably waive any objection to personal jurisdiction on *forum non conveniens*.

6.06 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute one and the same Agreement.

6.07 MUTUAL ASSISTANCE

The Parties agree to do all things reasonably necessary and appropriate to perfect the terms of this Agreement.

6.08 NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement is intended to benefit third-parties.

6.09 AUTHORIZATION

The undersigned representatives of the Parties warrant that they are duly authorized by the governing bodies of their respective political subdivisions to execute this Agreement on behalf of the Parties.

6.10 FORCE MAJEURE

Except as otherwise provided herein, an equitable adjustment shall be made for delay or failure in performing if such delay or failure is caused by conditions beyond the Party's reasonable control. Events of Force Majeure include, but are not limited to, the following:

- (a) Acts of God;
- (b) Extreme weather events;

- (c) Pandemics or similar occurrence;
- (d) Orders or acts of civil or military authority; or
- (e) Riots or acts of terrorism.

6.11 LIMITED LIABILITY

The County shall not be liable to City for the following:

- (a) Any failure to collect the installments of the Assessments;
- (b) Any failure to collect the installments of the Assessments unless such failure is the result of the Tax Assessor-Collector's failure to perform the duties imposed on him or her by law or this Agreement; and
- (c) Any failure to collect the installments if the Tax Assessor-Collector's failure to perform the duties imposed by law or this Agreement was due to circumstances beyond the Tax Assessor-Collector's control.

In executing this Agreement, neither the County nor the City intend to waive or will be deemed to waive any immunity or defense that would otherwise be available to it against claims arising from the exercise of governmental powers and functions.

[SIGNATURE PAGES TO FOLLOW]

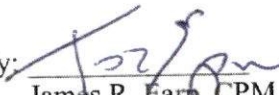
WILLIAMSON COUNTY, TEXAS

By: _____
Steve Snell
County Judge, Williamson County


Approved:

Larry Gaddes
Tax Assessor-Collector, Williamson County

CITY OF HUTTO

By: 
James R. Earn CPM
City Manager

ATTEST:


Laura Hallmark
City Secretary