

**COPY**

**TAX COLLECTION AGREEMENT**

THE STATE OF TEXAS                   §  
  §  
COUNTY OF WILLIAMSON           §

WHEREAS, Fern Bluff Municipal Utility District (the "Jurisdiction") and the County of Williamson, Texas (the "County") have the power and authority with reference to the terms of Tex. Gov't. Code Ann. §§ 791.001 et seq., and Tex. Prop. Tax Code Ann. §§ 6.21 et seq., as amended, to authorize the County, through its duly elected Tax Assessor-Collector, to act as the Tax Collector for the Jurisdiction.

NOW, THEREFORE, for the consideration hereafter expressed and the mutual conditions hereof, it is mutually agreed by and between the Jurisdiction and the County as follows:

1.     A.     Under the provisions of Tex. Gov't Code Ann. §§ 791.001 et seq., and Tex. Prop. Tax Code Ann. §§ 6.21 et seq., as amended, the County, through its duly elected Tax Assessor-Collector, shall serve as Tax Collector for the Jurisdiction for ad valorem tax purposes in 2000 and subsequent years pursuant to the terms herein provided. The County agrees to perform for the Jurisdiction all necessary duties authorized, and the Jurisdiction does hereby expressly authorize the County, through its duly elected Tax Assessor-Collector, to do and perform all acts necessary and proper to collect property taxes for the Jurisdiction.

       B.     The County shall make the calculations necessary for the Jurisdiction to comply with the statutory requirements for setting tax rates as specified in Chapter 26 of the Texas Property Tax Code. The Tax Assessor-Collector shall request in writing from the Jurisdiction the information necessary to calculate the tax rates specified in Chapter 26 of the Texas Property Tax Code. The Jurisdiction shall furnish to the Tax Assessor-Collector in writing the requested information within two weeks of receipt of the written request from the Tax Assessor-Collector. The County shall also cause the publication of the necessary public notice of the required tax rates for the Jurisdiction annually. The Jurisdiction designates the Williamson County Tax Assessor-Collector as its officer for calculation of effective and rollback tax rates. The Jurisdiction shall pay for the actual costs of publication of such notices. The County shall use its good faith efforts to select a newspaper of general circulation which offers a competitive price for such publication.

2.     A.     The County agrees to prepare and mail all tax statements, provide monthly collection reports to the Jurisdiction, prepare tax certificates, develop and maintain both current and delinquent tax rolls for the Jurisdiction, meet the requirements of the Property Tax Code, as amended, and to develop and maintain such other records and forms as are necessary or required by law or State rules and regulations.

The County undertakes and agrees to make available to the Jurisdiction full information about the tax collection operation of the County, and to promptly furnish written reports reasonably necessary to keep the Jurisdiction advised of all financial information affecting the Jurisdiction, including a tax roll.

B. The Jurisdiction authorizes the County to approve on behalf of the Jurisdiction all refunds pursuant to Tex. Prop. Tax Code Ann. § 31.11. Refunds may be made from tax collections otherwise due to the Jurisdiction, or, if there are not sufficient current collections to make the refund, the Jurisdiction shall, at the request of the Tax Assessor-Collector, promptly return to the County sufficient money to pay the refund. The County shall report to the Jurisdiction all refunds made on behalf of the Jurisdiction.

Likewise, in the event that a tax payment is made by check or other medium that is later dishonored, the County shall withhold the dishonored amount previously distributed to the Jurisdiction from tax collections otherwise due to be distributed to the Jurisdiction. If there are not sufficient current collections to amount to the revenue lost due to the dishonored instrument, the Jurisdiction shall promptly refund to the County sufficient sums upon request by the Tax Assessor-Collector.

C. To enable the County to effectively serve all parties which contract with it for the collection of taxes, all such parties must set their tax rates not later than the 30<sup>th</sup> day of September or the 60<sup>th</sup> day after the Jurisdiction receives its certified roll, whichever is later, of each year. In the absence of this requirement being met, such parties as do not meet this requirement shall bear all expenses of the County and its agents of expenditures made by such for the purpose of sending the tax statements in a separate notice or billing. By executing this Agreement, the Jurisdiction does accept such provisions and expressly agrees to pay any and all actual expenses that might be incurred by the County as a result of the Jurisdiction's failure to timely submit to the County its tax rate and any and all required collateral or related information or documentation.

3. The Jurisdiction hereby agrees and expressly authorizes the County to contract on the Jurisdiction's behalf with private legal counsel for the collection of delinquent property taxes. The Jurisdiction further agrees that such fee as provided in the contract with private legal counsel will be subject to approval by the Court and to Section 33.48, Texas Tax Code, will be paid from the delinquent taxes, penalty and interest collected for the Jurisdiction by such private legal counsel, and will not exceed 15% of the total amount of taxes, penalties and interest adjudged due to the Jurisdiction.

4. For each tax year, the Jurisdiction shall pay to the County for collection services an amount or amounts per each parcel of taxable property, or account, including accounts on personal property, taxable by the Jurisdiction. The number of accounts taxable by the Jurisdiction shall be determined as of the certification of the Jurisdiction's appraisal roll of the year for which payment is due. The amounts to be paid per account shall be as determined by the County's Tax Assessor-Collector annually. The Tax Assessor-Collector shall notify the Jurisdiction of the charge per parcel to be paid the following December 31 on or about March 1 of the same year. If no notice of charge per parcel is given by the Tax Assessor-Collector, charges per parcel for the prior year shall remain effective. The Tax Assessor-Collector may designate different charges for properties in Williamson County as opposed to those out of Williamson County, or according to any other rational basis of distinction. The fee shall be payable in a lump sum annually by December 31 and may be withheld by the Tax Assessor-Collector from the distribution otherwise due the Jurisdiction.

5. The County shall cooperate with, and respond to the inquiries of any independent certified public accountants employed by the Jurisdiction to conduct an annual financial audit of the Jurisdiction as such inquiries are related to the collection of taxes as provided for by this contract.

6. The County agrees to obtain a surety bond for the County's Tax Assessor-Collector to assure proper performance of the tax collecting function provided in this contract. Such bond shall be payable to the County in the sum of \$100,000 unless state statutes require a larger sum, and shall be executed by a solvent surety company.

7. The County agrees to make daily deposits of taxes collected on behalf of the Jurisdiction into such depositories as are selected by the Jurisdiction.

8. This contract shall continue until terminated by the parties. Either party may terminate this contract by giving written notice of its intent to the other party on or before April 1, to be effective the following July 1 of the same calendar year. Upon the effective date of such a termination, the Jurisdiction shall assume all its tax collection responsibilities for all tax years.

9. If this contract should terminate for any reason, including but not limited to termination because of agreement of both parties and termination by judicial decree, the tax records shall be returned to the Jurisdiction.

10. This agreement supercedes any and all agreements and contracts by and between the Jurisdiction relative to collection of taxes.

11. This contract is to be interpreted under the laws of the State of Texas. Venue for any litigation arising regarding this contract shall lie in Williamson County, Texas.

IN WITNESS WHEREFORE, these presents are executed by authority of the governing bodes of respective parties hereto.

EXECUTED this 14 day of June, 2000.

**FERN BLUFF MUNICIPAL UTILITY DISTRICT**

By: Jean I. Cochran  
Jean I. Cochran, President  
Board of Directors

ATTEST:

Glen Luepnitz  
Glen Luepnitz, Secretary  
Board of Directors

**THE COUNTY OF WILLIAMSON, TEXAS**

By: John C. Doerfler 10-3-00  
John Doerfler, County Judge  
County of Williamson

By: Deborah M. Hunt  
Deborah M. Hunt, Tax Assessor-Collector  
County of Williamson