

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (“**Agreement**”) is dated the ____ day of _____, 2021 by and between **P3Works LLC.**, a Texas Limited Liability Company (“**Consultant**”), with offices at 9284 Huntington Square, Suite 100, North Richland Hills, Texas 76182 and the **City of Angleton, Texas** (“**City**”), a municipal corporation and home-rule city, with a mailing address at 121 S Velasco, Angleton, Texas 77515.

NOW, THEREFORE in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Scope of Services:** Consultant and City agree that Consultant will perform Public Improvement District (“PID”) Services as requested by the City as outlined in the **Public Improvement District Administration Services Addendum** attached as **EXHIBIT A**.
2. **Independent Contractor:** Consultant is an independent contractor and is not an employee of City. Nothing in this Agreement is intended to, or should be construed to, create a partnership, joint venture or employer-employee relationship between City and Consultant. Consultant shall be solely responsible for filing all tax returns and submitting all payments as required by federal, state or local authority arising from the payment of fees to Consultant by City under this Agreement. Services performed by Consultant under this Agreement are solely for the benefit of City. Nothing contained in this Agreement creates any duties on the part of Consultant toward any person not a party to this Agreement.
3. **Standard of Care:** Consultant will perform Services under this Agreement with the degree of skill and diligence normally practiced by consultants performing the same or similar Services. Except as otherwise provided, Consultant shall have exclusive control over the manner and means of performing the Services, including the choice of place and time and will use its expertise and analytical skills in performing the Services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.
4. **Fee for Services and Payment:** The fee to Consultant for Services performed will be based on the rates and terms specific to the various tasks as outlined in Exhibit A. For each new PID, the City will request from the Consultant an updated Exhibit A specific to the new PID, but which terms will remain the same as Exhibit A. Beginning on the February 1 following the levy of the Assessment and each February 1 thereafter, the Administration fees shall increase by 2% when included in the Annual SAP Update.
5. City shall pay Consultant in U.S. dollars within thirty (30) days of receipt of invoices less any disputed amounts. If City disputes any portion of the invoice, the undisputed portion will be paid and Consultant will be notified in writing, within ten (10) days of receipt of the invoice of the amounts in dispute. Consultant and City will attempt to resolve the payment dispute within sixty (60) days or the matter may be submitted to mediation as provided below. Additional charges for interest shall become due and payable at a rate of one and one-half percent (1-1/2%) per month (or the maximum percentage allowed by law,

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whichever is lower) on the unpaid, undisputed invoiced amounts. Any interest charges due from City on past due invoices are outside any amounts otherwise due under this Agreement. If City fails to pay undisputed invoiced amounts within sixty (60) days after delivery of invoice, Consultant, at its sole discretion, may suspend Services hereunder or may initiate collections proceedings, including mediation, or both, without incurring any liability or waiving any right established hereunder or by law.

6. The Agreement shall be effective as of its approval by all parties and shall be for a period of three (3) years and shall automatically continue on a year to year basis unless terminated. Either party may terminate this agreement by giving sixty (60) days notice.
7. **Changes/Amendments:** This Agreement (together with any exhibits attached hereto) constitutes the entire agreement between the parties and together with its exhibits supersede any prior written or oral agreements. This Agreement may not be changed except by written amendment signed by both parties.
8. **Indemnity: CONSULTANT SHALL INDEMNIFY, DEFEND, AND HOLD THE CITY AND ITS PAST, PRESENT AND FUTURE OFFICERS, AGENTS, VOLUNTEERS, AND EMPLOYEES COMPLETELY HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, LOSSES, SUITS, CLAIMS, JUDGMENTS, FINES, OR DEMANDS ARISING BY REASON OF INJURY OR DEATH OF ANY PERSON, DAMAGE TO ANY PROPERTY, OR DAMAGE TO INTANGIBLES (DAMAGE TO BUSINESS, DEFAMATION, ETC.), INCLUDING ALL REASONABLE COSTS FOR INVESTIGATION AND DEFENSE THEREOF (INCLUDING, BUT NOT LIMITED TO, ATTORNEY FEES, COURT COSTS, AND EXPERT FEES), OF ANY NATURE WHATSOEVER ARISING OUT OF OR INCIDENT TO THIS AGREEMENT, WHICH ARE THE RESULT OF CERTAIN ACTS OF CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS, OR ANY PERSON OR ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL, THAT ARE CAUSED BY OR RESULT FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT AND/OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER. CONSULTANT SHALL GIVE TO THE CITY REASONABLE NOTICE OF ANY SUCH CLAIMS OR ACTIONS. CONSULTANT SHALL USE LEGAL COUNSEL REASONABLY ACCEPTABLE TO THE CITY IN CARRYING OUT ITS OBLIGATIONS HEREUNDER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS AGREEMENT.**
9. **Reperformance of Services:** If City believes any of the Services provided under this Agreement do not comply with the terms of this Agreement, City shall notify Consultant within ten (10) business days of its discovery of such non-compliance, to permit Consultant an opportunity to investigate the allegation of noncompliance. If the Services do not meet the applicable standard of care, Consultant will promptly re-perform the Services at no additional cost to City, including assisting City in selecting remedial actions. If City fails to provide Consultant with the required notice of non-compliance and an opportunity to

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investigate and re-perform its Services, Consultant's total obligation to City will be limited to the costs Consultant would have incurred to re-perform the Services.

10. **Limitation of Liability:** No employee of Consultant shall have individual liability to City. To the extent permitted by law, the total liability of Consultant, its officers, managers, members, employees and subconsultants for any and all claims arising out of this Agreement, including attorneys' fees, and whether caused by negligence, errors, omissions, strict liability, breach of contract or contribution, or indemnity claims based on third party claims, shall not exceed the limits of the general liability insurance per Section 14 below.
11. **No Consequential Damages:** In no event and under no circumstances shall either party be liable to the other party for any principal, interest, loss of anticipated revenues, earnings, profits, increased expense of operation or construction, loss by reason of shutdown or non-operation due to late completion or otherwise or for any other economic, consequential, indirect or special damages.
12. **Information Provided by Others:** City shall provide to Consultant in a timely manner any information Consultant indicates is needed to perform the Services hereunder. City agrees that Consultant may rely on the accuracy of information provided by City and its representatives.
13. **Insurance.** Consultant shall maintain insurance with the following required coverages and minimum limits and upon request, will provide complete copies of insurance policies to City evidencing the same. The City shall be named as a Named Additional Insured. Each insurance policy must provide that the insurer will notify City in writing in no less than thirty (30) days before any of the following events if reasonably anticipated by the insurer and if not reasonably anticipated than promptly: expiration, termination, cancellation, change in coverage or nonpayment of premiums. There will be no extra charge to City for compliance with these insurance terms. During the term of this Agreement, Consultant will secure and maintain, at its sole cost and expense, insurance as follows: (a) comprehensive general liability insurance, \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate; (b) workers' compensation insurance in accordance with applicable law; (c) employer's liability insurance providing \$1,000,000.00 per occurrence for bodily injury, illness or death by accident of any employee of the primary insured;; and (e) professional liability insurance providing \$1,000,000.00 per claim and in the aggregate.
14. **Dispute Resolution:** Consultant and City shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if resolution cannot be made to attempt to mediate the conflict by a professional mediator located either in Brazoria County, or Harris County, Texas.

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15. **IRMA Exemption Letter:** P3Works is a PID Administration firm, does not provide financial advice, and is not an Independent Registered Municipal Advisor under the SEC and MSRB Rules, therefore, P3Works will request an IRMA Exemption Letter if not already provided on the City's website, and then will provide to the City an IRMA Exemption Acceptance Letter in the general form attached as Exhibit B upon execution of the Agreement.

16. **Miscellaneous:**

- a. This Agreement is binding upon and will inure to the benefit of City and Consultant and their respective successors and assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.

Any notice required or permitted by this Agreement to be given shall be deemed to have been duly given if in writing and delivered personally or five (5) days after mailing by first-class, registered, or certified mail, return receipt requested, postage prepaid and addressed as follows:

City:

Attention: City of Angleton, Texas
City Manager
Address: 121 S Velasco
Angleton, TX 77515

Consultant: P3 Works, LLC
Attention: Mary V. Petty, Managing Partner
9284 Huntington Square, Suite 100
North Richland Hills, Texas 76182

- b. City expressly agrees that all provisions of the Agreement, including the clause limiting the liability of Consultant, were mutually negotiated.
- c. **Mandatory Disclosures:** Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176) and the Affidavit regarding Prohibition on Contracts with Companies Boycotting Israel (Texas Government Code Chapter 2270). The Contractor must also fill out Form 1295, as required by the Texas Ethics Commission, and submit it to the City. The form is at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.
- d. Consultant verifies that it does not Boycott Israel and agrees that during the term of the executed contract will not boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

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- e. Consultant affirms that Pursuant to Texas Government Code Chapter 2252, Subchapter F it is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
- f. Consultant affirms that this contract may require compliance with the Ethics Disclosure filing requirements in Texas Government Code Section 2252.008.
- g. If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.
- h. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas and venue for any action shall be in Brazoria County, Texas.
- i. In any action to enforce or interpret this Agreement, each party shall be responsible for its reasonable attorneys' fees and costs.
- j. This Agreement shall not be construed against Consultant on the basis that Consultant drafted the Agreement.
- k. No Waiver of Immunities. Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or in equity to the parties hereto, their past or present council members, officials, officers, employees, or agents or employees, nor to create any legal rights or claim on behalf of any third party. Neither party waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.
- l. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one instrument.

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IN WITNESS WHEREOF, the parties have signed this Agreement the date first written above.

Execution of this document follows on next page.

CITY

Signature _____
Name _____
Title _____
Date _____

ATTEST

City Secretary

CONSULTANT

Signature _____
Name Mary V. Petty
Title Managing Partner
Date _____

State of Texas §
County of _____ §

On _____, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed
to the within instrument and acknowledged to me that he/she executed the same in his/her
authorized capacity, and that by his/her/their signature on the instrument the person, or the entity
upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____
Notary Public

(Seal)

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EXHIBIT A PUBLIC IMPROVEMENT DISTRICT SERVICES ADDENDUM SCOPE OF SERVICES TO BE PROVIDED

PID Name: _____

Authorized Start Date by City Manager: _____

City Manager Signature: _____

Receipt by PID Administrator Signature and Date: _____

SERVICE AND ASSESSMENT PLAN PREPARATION AND BOND ISSUANCE SUPPORT SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel times will be billed at hourly rates.*

District Due Diligence and Preparation of PID Plan of Finance

1. P3Works will review project information and prepare a plan of finance for the proposed transaction, including
2. Assessed value schedules, value to lien analysis, and overall structuring to achieve City goals and objectives
3. Identify areas of risk with the City's Financial Advisor, and solutions to mitigate the risks,
4. Bond sizing and bond phasing by improvement area,
5. Sources and uses of funds by improvement area,
6. Debt service schedules, and;
7. Assessment allocation and associated estimated annual installment by lot type for each improvement area.

Preparation of Service and Assessment Plan

1. P3Works will prepare a complete and final Service and Assessment Plan to be adopted by City Council and included in the Official Statement for the Bonds based on the Plan of Finance.

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2. P3Works will present the Service and Assessment Plan to City Council and request approval of Assessment Roll.

Bond Issuance Support

1. P3Works will ensure bond documents, including the PID financing agreement, bond indenture, and official statement are all consistent with the Service and Assessment Plan.
2. P3Works will provide ad-hoc analysis as requested by the underwriter in preparation of the preliminary official statement.

Participation in Presentations to City Council or other Public Forums

1. P3Works will prepare and present information as requested to the City Council or any other public forum.

BASIC DISTRICT ADMINISTRATION SERVICES

If no bonds are sold:

Monthly Fee = \$1,500 beginning the first of the month following execution of this Agreement for the first improvement area; and \$1,000 per month for each improvement area thereafter. (Proration will occur for any partial month if not begun on the 1st day of the month.)

If bonds are sold:

Monthly Fee amounts will be \$2,500 for the first improvement area beginning the first month following the issuance of bonds; and \$1,250 per month for each improvement area thereafter.

For PIDs that P3Works did not create: Monthly Collection Fees will not begin until the first Annual SAP Update is drafted by P3Works and approved by Council, therefore all work completed to that point will be billed hourly.

See Section below related to “Consulting Services Relating to Future Improvement Areas and related Bond Issuance” for hourly fees if bonds are contemplated.

Prepare Annual Service and Assessment Plan Update

1. If possible, obtain updated construction cost estimates (or actual costs for completed facilities) for District improvements, and update service and assessment plan text and tables.
2. Update service and assessment plan text and tables as necessary to account for any changes in development plan or land uses.
3. Update annual District assessment roll.
4. Identify parcel subdivisions, conveyance to owner’s associations, changes in land use, and any other information relevant to the levy of special assessments.
5. Review maps of tax parcels to compile/audit list of parcels that are within the District for the upcoming bond year. Classify each parcel pursuant to the approved service and

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- assessment plan.
6. Identify any parcels dedicated to any property types classified as exempt by the service and assessment plan.
 7. Update District database with newly subdivided parcels and property type classifications.
 8. Calculate annual special assessment for each parcel. Verify the sum of annual installments for all parcels in the District is sufficient to meet the annual debt service requirement, administration expenses, and any provisions for delinquency or prepayment reserves.
 9. Calculate other funds available, such as reserve fund income, capitalized interest, and interest income. Reduce annual assessment based on findings according to approved service and assessment plan.
 10. Present preliminary annual assessment roll to City. Upon approval by City, submit final annual assessment roll to County Tax Collector.

Administration of Bond Funds (if bonds are sold)

1. Review and reconcile the account statements for the funds maintained by the trustee. Ensure annual special assessment calculation is compliant with Indenture as it relates to each fund.
2. Provide annual summary of all District accounts maintained by Trustee at the time the annual service and assessment plan update is performed.

Provide Public Information Request Support

1. If requested, P3Works will respond to any calls and or emails relating to the District. P3Works will only provide technical answers relating to the annual assessments or the District generally. P3Works will not provide any commentary on City policy relating to PIDs.
2. If the City receives a notice from a property owner alleging an error in the calculation of any matters related to the annual assessment roll for the District, P3Works will review and provide a written response to the City. If a calculation error occurred, P3Works will take corrective action as required to correct the error.

Delinquency Management

1. After the end of the annual assessment installment collection period, P3Works will prepare a Collection Report, which details which parcels are collected, delinquent and the amount of delinquency.
2. P3Works will advise the City what action must be taken relating to delinquent parcels, if any, to remain in compliance with the District bond documents.

Website Setup

1. Prepare website database searchable by property tax ID # for property owners, title companies, mortgage companies, or other interested parties. The search results will provide assessment information, including outstanding principal, annual installment amount, payment information, and a breakdown of the assessment installment by use (principal, interest, reserve fund accounts, administrations, etc.)

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2. Prepare “District Information” page for website. Information will include a background of the District formation and bond issuance process, District boundary map, and description of improvements. In additions, P3Works will provide a link to District documents.

DISTRICT ADMINISTRATION SETUP SERVICES (Required for any existing PID not created by P3Works.)

\$7,500 One Time Lump Sum Fee

1. P3Works will review the full bond transcript and identify all requirements of the City relating to District administration and/or disclosure requirements.
2. Prepare calendar of all relevant dates and deadlines for District administration and disclosure requirements.
3. Meet with County Assessor’s office to establish procedure for obtaining parcel information for assessment roll.
4. Meet with County Tax Office to establish procedure to include District assessment roll on property tax bill.
5. Meet with City representatives to finalize policies and procedures relating to District Administration.

ADDITIONAL DISTRICT ADMINISTRATION SERVICES

Billed at P3Works’ prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works’ hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel will be billed at the hourly rates.*

Continuing Disclosure Services

1. P3Works will prepare the form of the annual report as required by the continuing disclosure agreements and work with the City and the Developer to complete.
2. P3Works will request from developer the reports due pursuant to the developer disclosure agreement and disseminate these reports pursuant to the disclosure agreement.
3. Upon notification by any responsible party or if P3Works independently becomes aware of such knowledge, P3Works will prepare notices of material events covering the events enumerated in the disclosure agreements.
4. P3Works will coordinate with the Trustee to disseminate the annual reports, quarterly reports from the developer, and notice of significant events to the Municipal Securities Rulemaking Board (MSRB) and any other parties required in the continuing disclosure

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agreement.

Developer Payment Request Administration

1. P3Works will review all developer payment requests to ensure the request complies with the PID Financing Agreement, the District service and assessment plan, and any other relevant provisions contained in the District documents.
2. P3Works will audit the developer payment request to ensure there is proper backup documentation and that the accounting is accurate.
3. P3Works will coordinate with the City's designated representative to ensure the improvements were built to the standards of the accepting governing body.
4. P3Works will ensure improvements to be dedicated are free and clear of all liens and encumbrances.

Consulting Services Relating to Future Improvement Areas and related Bond Issuance (to be paid from Developer funds advanced to City)

1. P3Works will update the Service and Assessment Plan to comply with Bond documents.
2. P3Works will prepare an updated Assessment Roll including the future Improvement Area
3. P3Works will coordinate with City's bond counsel, financial advisor, and the bond underwriter to ensure the Bonds and all related documents are in compliance with State Law.
4. P3Works will prepare any additional reports or analyses as needed to successfully issue the Bonds.

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EXHIBIT B IRMA EXEMPTION LETTER



P3Works, LLC.
9284 Huntington Sq.
Suite 100
North Richland Hills,
Texas 76182

Mary V. Petty
Managing Partner
+1.817.393-0353 Phone
Admin@P3-Works.com

May 5, 2021

Chris Whittaker
City Manager
City of Angleton
121 S Velasco
Angleton, TX 77515

RE: IRMA Exemption/Acceptance Letter

To Whom It May Concern:

We have received your written representation, dated _____, 20__, that the City of Angleton (the "City") has engaged and is represented by _____, an independent registered Municipal Advisor ("IRMA"). In accordance with Section 15Ba1-1(d)(3)(vi) of the Securities Exchange Act of 1934 ("Securities Exchange Act"), we understand and intend for the City to rely on IRMA's advice in evaluating recommendations brought forward by P3Works, LLC that constitute "advice" as defined in the Securities Exchange Act ("IRMA Exemption").

Furthermore, P3Works, LLC has conducted reasonable due diligence and is confirming that to the best of our knowledge, the IRMA is independent from P3Works, LLC, that P3Works, LLC is not a municipal advisor and is not subject to the fiduciary duty to municipal entities that the Security and Exchange Act imposes on municipal advisors, and that P3Works, LLC has a reasonable basis for relying on the IRMA Exemption. We will advise you, in writing, if we become aware of any changes.

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P3Works, LLC provides PID Administration services to Cities and Counties.

As required by the relevant sections of the Securities Exchange Act regarding Municipal Advisors, we are informing your identified IRMA of these facts.

Mary V. Petty
Managing Partner
P3Works, LLC

Jon Snyder
Managing Partner
P3Works, LLC