

**CONTRACT FOR THE COLLECTION OF
DELINQUENT PROPERTY TAXES**

THE STATE OF TEXAS
COUNTY OF DENTON

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§

THIS CONTRACT is made and entered in by and between **DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-C (The District)**, acting herein by and through its governing body, and **Hayes, Coffey & Berry, P.C. and McCreary, Veselka, Bragg and Allen, P.C. (for the purpose of this contract only hereinafter jointly referred to as The Firm)**, 300 E. McKinney Street, Suite B, Denton, Texas 76201.

I.

The District agrees to employ and does hereby employ **The Firm** to enforce by suit or otherwise the collection of all delinquent taxes, penalty and interest owing to **The District**. Current year taxes which become delinquent within the period of this contract shall become subject to the terms of the contract upon the following conditions:

A. Taxes that become delinquent during the term of this contract, that are not delinquent for any prior years, become subject to the terms of this contract on July 1st of the year in which they become delinquent.

B. Taxes that become delinquent during the term of this contract, on property that is delinquent for prior years and is the subject of a suit to collect the prior years delinquent taxes, shall become subject to its terms on the first day of delinquency as defined by the Texas Property Tax Code.

II.

The District agrees to furnish all necessary delinquent tax information to **The Firm** on all property within the boundaries of **The District**. **The District** hereby authorizes **The Firm** to determine the name, identity and location of necessary parties and to procure necessary legal descriptions of property and hereby assigns to **The Firm** the right to recover the costs of obtaining such information.

III.

The Firm is to advise **The District** of errors, double assessments or other discrepancies coming under observation during the progress of the work.

IV.

The Firm is to intervene on behalf of **The District** in all suits for ad valorem taxes hereafter filed by any other taxing unit on property located within its boundaries.

V.

The District agrees to pay **The Firm**, for services rendered, Fifteen Per Cent (15%) of all delinquent taxes, penalty and interest collected by **The District** for years covered by this contract. The penalty imposed pursuant to Section 33.07 of the Texas Property Tax Code is not subject to this contractual fee. **The District** has previously adopted and does hereby reaffirm the adoption of the additional penalty in the amount of Fifteen Per Cent (15%) pursuant to Section 33.07 of the Texas Property Tax Code. All Fees provided for in this contract shall become the property of **The Firm** at the time payment of taxes penalty and interest is made to **The District**. **The District** shall pay fees due **The Firm** monthly by check.

VI.

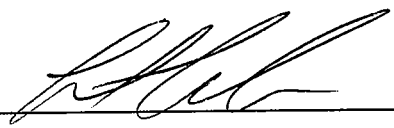
This contract is drawn to cover a period of one (1) year beginning June 1, 2001, and ending June 30, 2002. Thereafter, this contract shall continue in full force and effect from year to year unless either party delivers written notice to the other party of its intent to terminate this contract at least thirty (30) days prior to the anniversary date of this contract. On termination of this contract, **The Firm** shall have an additional six (6) months after termination to reduce to judgment and sale all tax collection lawsuits filed and collect all bankruptcy claims filed prior to the termination date, and provided further that **The Firm** shall handle to conclusion all suits in which trial court judgments are obtained during the period of this contract and which are appealed by any party. In case of such termination, **The Firm** shall be entitled to receive and retain all compensation of fees due up to the date of said termination. In consideration of the terms and compensation herein stated, **The Firm** hereby accepts said employment and undertakes the performance of this contract as above written.

X.

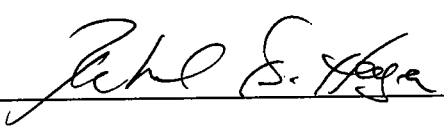
This contract is executed on behalf of **The District** by the presiding officer of its governing body who is authorized to execute this instrument by order heretofore passed and duly recorded in its minutes.

WITNESS the signatures of all parties hereto in triplicate originals this the 14th day of August, A.D. 2001, Denton, County, Texas.

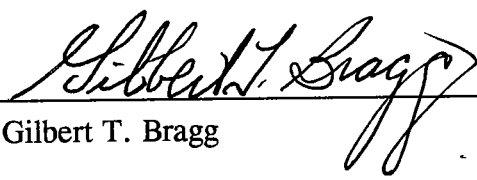
DENTON COUNTY FRESH WATER
DISTRICT NO. 1-C

BY 
President, Board of Directors

HAYES, COFFEY & BERRY, P.C.
Attorneys at Law

BY 

MCCREARY, VESELKA, BRAGG AND ALLEN,
Attorneys at Law

BY 
Gilbert T. Bragg

**A RESOLUTION ADOPTING AN ADDITIONAL PENALTY OF
FIFTEEN PERCENT (15%) TO DEFRAY THE COST OF
COLLECTING DELINQUENT TAXES**

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

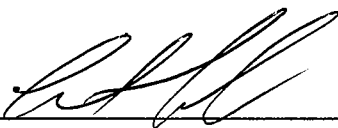
RESOLUTION

WHEREAS, Section 33.07 of the Texas Property Tax Code provides that a penalty of not more than 15% of the tax, penalty and interest may be added to such tax, penalty and interest on delinquent taxes after July 1 of the year in which they become delinquent when a tax unit has retained a private attorney for the collection of delinquent taxes and,

WHEREAS, in order to defray the cost of attorneys's fees for the collection of such delinquent taxes, it is to the advantage of the taxpayers in this political subdivision to adopt the provisions of Section 33.07 of the Texas Property Tax Code.

NOW THEREFORE, BE IT RESOLVED AND ORDAINED THAT THE BOARD OF DIRECTORS OF THE DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-C hereby adopts the provisions of Section 33.07 of the Texas Property Tax Code so that hereafter an additional penalty of 15% of the delinquent tax, penalty and interest on delinquent taxes be imposed on all taxes becoming delinquent after January 31, 2000.

This Resolution was Adopted by the Board of Directors of The Denton County Fresh Water Supply District No.1-C on this the 14th day of August, 2001.



President

Attest by: Julie Carlisle
Secretary,

Denton County Fresh Water Supply District No. 1-C

McCREARY, VESELKA, BRAGG & ALLEN, P.C.
ATTORNEYS AT LAW
P.O. BOX 26990
AUSTIN, TEXAS 78755-0990

May 3, 2001

Ms Judy McAngus
c/o Leonard Hurst, Attorney at Law
816 Congress Avenue, Suite 1280
Austin, Texas 78701

Re: Denton County Fresh Water District Contracts (Nos. 1-B; 1-C; and 1-D)

Dear Judy:

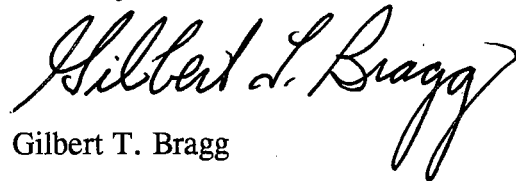
Enclosed are contracts for the above referenced jurisdictions that we discussed by phone on April 24, 2001. They are in three sets of triplicate originals. Richard Hayes and I have signed each contract. Please obtain the necessary signatures from the Water District officials. Please note that I have included a separate resolution authorizing the Section 33.07 penalty. Each contract states that the district has "previously adopted and does hereby reaffirm the adoption of the additional penalty ...". Accordingly, the resolutions authorizing the penalty should be acted on prior to the contract. This can be done at the same meeting.

When the signatures have been obtained, please return the originals designated "Hayes" and "MVBA" to my office. The originals for the jurisdiction are not fastened in a blue cover in order that they may be copied by the jurisdictions and recorded in their minutes.

One additional matter: In your telephone message to me you mentioned a District "1-E". However, in our conversation you only discussed Districts 1-B; 1-C; and 1-D. Is something to be done for District 1-E, or did I misunderstand your message?

Please call if you have any questions.

Sincerely,



Gilbert T. Bragg

GTB:csW
Enclosures

AUSTIN
6929 Balcones Dr.
Suite 200
Austin, TX 78731
(512) 451-9000
FAX(512) 454-1881

ABILENE
1634 S. Treadway Blvd.
Suite B
Abilene, TX 79602
(915) 672-4870
FAX(915) 676-7877

DENTON
300 E. McKinney St.
Suite B
Denton, TX 76201
(940) 383-3546
(940) 387-7476
FAX(940) 380-1311

GEORGETOWN
710 S. Main St.
Suite B-3
Georgetown, TX 78626
(512) 943-1646
FAX(512) 943-1619

LONGVIEW
140 E. Tyler St.
Suite 280
Longview, TX 75601
(903) 787-5757
FAX(903) 753-7374

SAN ANGELO
17 S. Chadbourne St.
Suite 305
San Angelo, TX 76903
(815) 657-0198
FAX(815) 658-1421

VICTORIA
P.O. BOX 2977
Victoria, TX 77902
(361) 573-3744
FAX(361) 572-3713

WACO
100 N. 6th St.
Suite 704
Waco, TX 76701
(254) 766-7756
FAX(254) 766-0333

LEONARD HURT FROST LILLY & LEVIN

A Professional Corporation
ATTORNEYS AT LAW
816 CONGRESS AVENUE, SUITE 1280
AUSTIN, TEXAS 78701
(512) 477-7161
TELECOPY (512) 476-1676

SUITE 900
600 N. PEARL STREET
DALLAS, TEXAS 75201-2872
(214) 954-6300
TELECOPY (214) 954-6386

SUITE 131
4545 BISSONNET
BELLAIRE, TEXAS 77401
(713) 666-6388
TELECOPY (713) 666-6454

SUITE 300
1701 K STREET, N.W.
WASHINGTON, D.C. 20008
(202) 223-2500
TELECOPY (202) 296-2501

October 31, 2001

FEDERAL EXPRESS

Mr. Gilbert T. Bragg
McCreary, Veselka, Bragg & Allen, P.C.
5929 Balcones Drive
Suite 200
Austin, Texas 78731


Re: Denton County Fresh Water Supply District No. 1-C Contracts

Dear Mr. Bragg:

Enclosed are your original contracts ready for execution with regards to the above referenced District.

Thanks for your assistance. If you have any questions, please do not hesitate to contact me at (512) 477-7161 or (806) 783-9325.

Very truly yours,


Judy McAngus
Legal Assistant

JMC/kds
Enclosures

cc: Jay Hawes