

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

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

THIS CONTRACT is made and entered in by and between **DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-E (The District)**, acting herein by and through its governing body, and **McCreary, Veselka, Bragg and Allen, P.C. (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 Sections 33.07 and 33.08 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 pursuant to Sections 33.07 and 33.08 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.

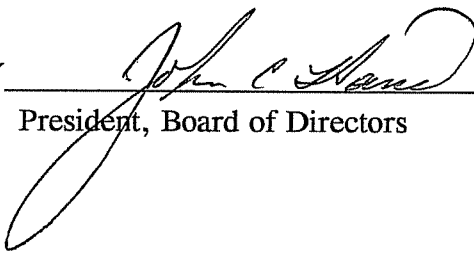
This contract is drawn to cover a period of one (1) year beginning July 1, 2002, and ending June 30, 2003. Thereafter, this contract shall continue in full force and effect from year to year unless either party delivers written notice to the other party of its intent to terminate this contract at least 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.

VII.

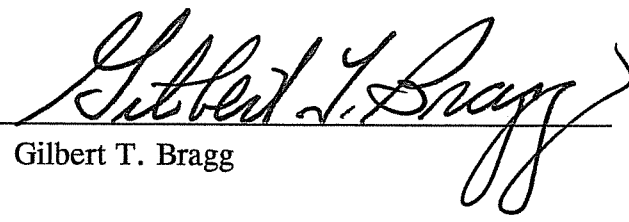
This contract is executed on behalf of **The District** by the presiding officer of its governing body who is authorized to execute this instrument by order heretofore passed and duly recorded in its minutes.

WITNESS the signatures of all parties hereto in duplicate originals this the 16th day of July, A.D. 2002, Denton, County, Texas.

DENTON COUNTY FRESH WATER SUPPLY
DISTRICT NO. 1-E

BY 
President, Board of Directors

MCCREARY, VESELKA, BRAGG AND ALLEN,
Attorneys at Law

BY 
Gilbert T. Bragg

**RESOLUTION
TO
IMPOSE ADDITIONAL PENALTY FOR COLLECTION COSTS**

WHEREAS, the Texas Property Tax Code §33.07 provides that a taxing unit may impose an additional penalty to defray the costs of collection of delinquent property taxes that remain delinquent after July 1; and,

WHEREAS, the Texas Property Tax Code §33.08 provides that a taxing unit may provide that taxes that become delinquent on or after June 1, under §§ 26.07, 26.15, 31.03, 31.031, 31.032, 31.04, incur an additional penalty to defray the costs of collection; and,

WHEREAS both §§ 33.07 and 33.08 provide that the amount of such additional penalty may not exceed the amount of compensation specified in the applicable contract with an attorney under §6.30 to be paid in connection with the collection delinquent taxes; and,

WHEREAS, the Denton County Fresh Water Supply District No. 1-E has determined that it is in the public interest to insure the prompt payment of delinquent taxes,

NOW, THEREFORE, BE IT RESOLVED BY THE DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-E THAT:

There shall be imposed on delinquent property taxes that become due or are delinquent on the dates described in §§ 33.07, 33.08, Texas Property Tax Code, a penalty in the amount of compensation specified in the most recent contract entered into under § 6.30, Property Tax Code by Denton County Fresh Water Supply District No. 1-E with McCreary, Veselka, Bragg & Allen, P.C. in the collection of delinquent property taxes. The execution of such a contract subsequent to this resolution shall amend this resolution to specify a penalty on such delinquent taxes in the amount of compensation specified in that contract, effective of even date with that contract.

RESOLVED THIS 16th DAY OF July, 2002.



Presiding Officer

ATTEST:



Secretary

LEONARD FROST LEVIN & VAN COURT

A Professional Corporation
ATTORNEYS AT LAW
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TELECOPY (202) 296-2501

September 16, 2002

FEDERAL EXPRESS

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

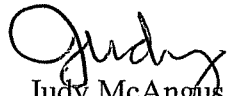
Re: Denton County Fresh Water Supply District No. 1-E

Dear Gilbert:

Enclosed please find an original fully signed Contract for the Collection of Delinquent Property Taxes between your firm and the above-referenced District along with an original Resolution to Impose Penalty for Collection Costs as approved by such 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: Steve Mossman
Denton County Tax Collector

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