

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

## **THE STATE OF TEXAS**

## **COUNTY OF HIDALGO**

THIS CONTRACT is made and entered into by and between **HIDALGO COUNTY**, acting herein by and through its governing body, hereinafter styled First Party, and the law firm of **LINEBARGER GOGGAN BLAIR & SAMPSON, LLP**, whose address is 1726 West University Drive, Edinburg, TX 78539 hereinafter styled Second Party.

### **I**

First Party agrees to employ and does hereby employ Second Party to enforce by suit or otherwise the collection of taxes, and penalty and interest accrued on those taxes, owing to First Party and all other taxing jurisdictions whose taxes are collected by First Party, as provided herein below. Taxes shall become subject to the terms of this Contract upon the following dates, whichever first occurs: (1) on February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax; (2) on the date any lawsuit is filed with respect to recovery of the tax; (3) on the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought and where the filing of an application for tax warrant by Second Party is at the request of First Party's Tax Assessor-Collector; (4) on the date of filing any claim in bankruptcy where recovery of the tax is sought; or (5) on July 1 of the year in which the taxes become delinquent.

### **II**

Second Party is to call to the attention of the collector or other officials any errors, double assessments or other discrepancies coming under its observation during the progress of the work, and is to intervene on behalf of First Party in all suits for taxes hereafter filed by any taxing unit on property located within its corporate limits.

### **III**

First Party agrees to pay to Second Party as compensation for the services required hereunder the following amounts:

a. fifteen percent (15%) of the amount of all taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph I above, for tax year 2002 and prior years, collected by the Second Party and paid to the collector of taxes during the term of this contract, as and when collected, and

b. twenty (20%) percent of the amount of all taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph I above, for tax year 2003 and subsequent years, collected by the Second Party and paid to the collector of taxes during the term of this contract, as and when collected.

All compensation above provided for shall become the property of Second Party at the time payment of the taxes, penalty and interest is made to the collector. The collector shall pay over said funds monthly by check.



The interpretation and enforcement of this Contract shall be governed by the laws of the State of Texas and is performable in Hidalgo County, Texas.

Any waiver of enforcement of any provision or waiver of any breach of this Contract whether or not recurring, shall not be construed as a waiver or any subsequent enforcement or breach.

The invalidity or unenforceability of any provisions of this Contract will not affect the validity or enforceability of any other provision.

The right and obligations of First Party hereunder shall inure to the benefit of and be binding upon the successors and assigns of First Party. The Second Party may not assign Second Party's rights or obligations under this Contract without First Party's written consent. Any assignment in violation of this provision shall give First Party the right to terminate this Contract immediately, upon written notice to the Second Party.

Any amendments to this Contract will be effective only if in writing and signed by First Party and the Second Party.

This Contract constitutes the entire agreement of the parties with respect to the subject matter hereof.

The defined terms used herein are for convenience only and do not limit the contents of this Contract.

All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons or entity may require.

The execution and performance of this Contract by First Party and Second Party have been duly authorized by all necessary laws, resolutions or corporate action, and this Contract constitutes the valid and enforceable obligations of Second Party and First Party in accordance with its terms.

Second Party represents and warrants to First Party the compensation to be paid to Second Party by First Party is reasonable considering amounts charged by others in the same or similar geographic area for similar services.

## VI

This contract is drawn to cover a period of **three (3) years** beginning **November 10, 2003** and ending **December 31, 2006**. First Party has the option to renew this agreement under the same terms and conditions as set forth in this Agreement for one additional two (2) year term. Any renewal option to be exercised by First Party shall be made by written notice at least 90 days prior to the termination of the then current contract term subject to any and all budget restrictions. Either party may terminate this contract at the end of the initial contract term or thereafter by giving the other party thirty (30) days advance notice of termination in writing. During the term of the contract, First Party shall have the right to terminate this contract following any finding by First Party that Second Party's performance of its obligations under this contract has been unsatisfactory in material respects; provided however, that First Party shall grant Second Party 30 days from the date of written notice of such violation to attempt to cure such; provided further however, that Second Party shall report to First Party at least weekly regarding all remedial action taken by Second Party. At the end of this 30-day period, First Party shall be entitled to consider the reports of remedial activity undertaken by Second Party, and thereafter to determine whether Second Party has remedied the unsatisfactory performance. Should Second Party be found not to

have remedied the unsatisfactory performance to the satisfaction of First Party, First Party may terminate the contract based on the finding of just cause. In the case of such termination, Second Party shall be entitled to receive and retain all compensation due up to the date of said termination. Second Party shall have six (6) months following termination of the contract to reduce to judgment all suits filed prior thereto. In consideration of the terms and compensation herein stated, Second Party hereby accepts said employment and undertakes the performance of said contract as above written.

This contract is executed on behalf of First Party 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.

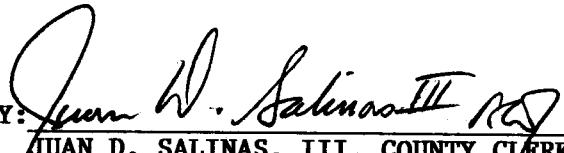
WITNESS the signatures of all parties hereto in duplicate originals this the 18th day of November, 2003, Hidalgo County, Texas.

**HIDALGO COUNTY**

First Party

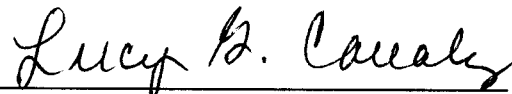
By:   
RAMON GARCIA  
COUNTY JUDGE

ATTEST:

BY:   
JUAN D. SALINAS, III, COUNTY CLERK

**LINEBARGER GOGGAN BLAIR & SAMPSON, LLP**

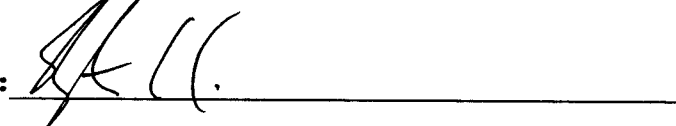
Second Party

By:   
LUCY G. CANALES  
PARTNER

Approved on Commissioners' Court November 18, 2003

APPROVED AS TO FORM

Atlas & Hall, LLP

By: 

WHEREAS, under said Sections 33.07 and 33.08, Commissioners Court is empowered to authorize the addition of a collection penalty in an amount that does not exceed the amount of the compensation specified in the contract with the private law firm;

NOW, THEREFORE,

BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS, SITTING AS THE GOVERNING BODY OF SAID COUNTY, THAT:

Section 1: THE RECITALS SET FORTH IN THIS ORDER ARE TRUE AND CORRECT.

Section 2: (a) AN ADDITIONAL PENALTY ON DELINQUENT TAXES FOR TAX YEARS 2003 AND SUBSEQUENT YEARS IS HEREBY AUTHORIZED AND IMPOSED, AS PROVIDED BY SECTION 33.07, TEXAS TAX CODE, IN THE AMOUNT OF 20% OF THE DELINQUENT TAX, PENALTY AND INTEREST IF THE TAX BECOMES DELINQUENT ON OR AFTER FEBRUARY 1 OF A YEAR BUT NOT LATER THAN MAY 1 OF THAT YEAR AND REMAINS DELINQUENT ON JULY 1 OF THE YEAR IN WHICH THE TAX BECOMES DELINQUENT; AND

(b) AN ADDITIONAL PENALTY ON DELINQUENT TAXES FOR TAX YEARS 2003 AND SUBSEQUENT YEARS IS HEREBY AUTHORIZED AND IMPOSED, AS PROVIDED BY SECTION 33.08, TEXAS TAX CODE, IN THE AMOUNT OF 20% OF THE DELINQUENT TAX, PENALTY AND INTEREST IF THE TAX BECOMES DELINQUENT ON OR AFTER JUNE 1 UNDER SECTION 26.07(F), 26.15(E), 31.03, 31.031, 31.032, OR 31.04, TEX. TAX CODE.

PASSED, APPROVED and ADOPTED this 18TH day of November, 2003.

HIDALGO COUNTY

BY:   
RAMON GARCIA  
COUNTY JUDGE

Hidalgo County, Texas

ATTEST:

  
J. D. SALINAS  
COUNTY CLERK

