

CONTRACT FOR THE COLLECTION OF DELINQUENT TAXES

THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §

THIS CONTRACT is made and entered into by and between the **PRINCETON INDEPENDENT SCHOOL DISTRICT**, (hereafter referenced as the "District") a political subdivision of the State of Texas, acting by and through its Board of Trustees, as evidenced below by the signature of the President of the Board of Trustees, on the one hand, and **ABERNATHY, ROEDER, BOYD & HULLETT, P.C.**, McKinney, Texas, (hereafter referenced as the "Firm").

I. RECITALS

District is an independent public school district and a political subdivision of the State of Texas with the right and obligation to collect certain taxes;

The Firm is a law firm which, among other legal services, provides services relating to the collection of Delinquent Taxes (as defined herein);

The District desires to retain the Firm to assist in the collection of Delinquent Taxes owed by taxpayers to the District;

The Firm desires to assist the District in the collection of Delinquent Taxes owed to the District by its taxpayers;

Therefore, the District and Firm agree as follows:

II. RETENTION OF FIRM BY DISTRICT

1. District and the Firm acknowledge that through this Agreement they have an attorney-client relationship.
2. In return for the Firm providing the services described below, the District shall compensate the Firm as provided herein and shall perform the duties set forth herein.

III. DELINQUENT TAXES SUBJECT TO THIS AGREEMENT

1. District authorizes the Firm to collect all delinquent taxes, penalties and interest and all other recoverable costs allowed by law (which collectively are referred to herein as "Delinquent Taxes") owing to District which the District's tax collector or other authorized representative refers to the Firm, which are or become delinquent during the Term (as defined below) or are otherwise properly subject to legal action for purposes of collection during the Term.

2. Among other Delinquent Taxes, during the Term the following shall be subject to collection by the Firm:

- (a) Taxes that become delinquent during the Term that are not delinquent for any prior year. These Delinquent Taxes shall become subject to collection by the Firm on the first day of the month in which penalties and interest attach to the taxes pursuant to Section 33.07, 33.08, and/or 33.11 of the Texas Property Tax Code;
- (b) Delinquent Taxes that are required to be included in a suit pursuant to Texas Property Tax Code § 33.42(a) on the date any lawsuit is filed with respect to the recovery of the tax;
- (c) Taxes, on the date of filing of 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 the Firm is at the request of the District's authorized representative;
- (d) Delinquent Taxes secured by property, even if the property is also subject to Delinquent Taxes which pre-existed the Term, if (i) the property securing the Delinquent Taxes is under litigation, or comes under litigation, or (ii) if referred to the Firm for collection by District's tax collector;
- (e) Delinquent Taxes owed on personal property shall become subject to this Contract sixty days after the delinquency date for said taxes. (For taxes owed on personal property, a 20% penalty shall be assessed as provided by Section 33.11, Texas Property Tax Code. All collection penalties or attorney fees collected on those taxes are the property of the Firm and shall be paid in the same manner as all other collection penalties or attorney fees under this Contract.);
- (f) Taxes, including but not limited to current taxes, on the date of taxpayer filing an application for bankruptcy relief, where recovery of the tax or estimated tax is sought by the District; and
- (g) any other Delinquent Taxes which the District requests the Firm to pursue under Texas Property Tax Code Sections 33.21 or 33.48, et. seq. or other applicable law.

3. Notwithstanding anything herein, the Superintendent or his/her designee has the right to make any decisions regarding the timeline and method of collection of Delinquent Taxes including the final decision whether to collect Delinquent Taxes through a lawsuit, provided that the District has communicated its decision to the Firm in writing.

IV.

INTELLECTUAL PROPERTY RIGHTS

1. The District recognizes and acknowledges that the Firm owns all right, title and interest in certain proprietary software that the Firm may utilize in conjunction with performing the services provided in this Agreement. The District agrees and hereby grants to the Firm the right to use and incorporate any information provided by the District ("District Information") to update the databases in this proprietary software, and, notwithstanding that District Information has been or shall be used to

update the databases in this proprietary software, further stipulates and agrees that the District shall have no rights or ownership whatsoever in and to the software or the data contained therein, except that the District shall be entitled to obtain a copy of such data that directly relates to the District's accounts at any time.

2. The Firm agrees that it will not share or disclose any specific confidential District Information with any other company, individual, organization or agency, without the prior written consent of the District, except as may be required by law or where such information is otherwise publicly available. It is agreed that the Firm shall have the right to use District Information for internal analysis, purposes of improving the proprietary software and database, and to generate aggregate data and statistics that may inherently contain District Information. These aggregate statistics are owned solely by the Firm and will generally be used internally, but may be shared with the Firm's affiliates, partners or other third parties for purposes of improving the Firm's software and services.

V. TERM

1. This Agreement shall be effective as of June 1, 2025 (the "Effective Date").
2. This Agreement shall remain in effect until September 1 of the fifth year following the Effective Date (the "Term").
3. If at any time during the initial term of this Agreement or any extension hereof, the District determines that the Firm's performance under this Agreement is unsatisfactory, the District shall notify the Firm in writing of the District's concern. The notice from the District shall specify the particular deficiencies that the District has observed in the Firm's performance. The Firm shall have thirty (30) days from the date of the notice to cure any such deficiencies. If at the conclusion of that thirty-day remedial period, the District remains unsatisfied with the Firm's performance, the District may terminate this Agreement effective upon the expiration of thirty (30) days following the date of written notice to the Firm of such termination ("Termination Date").
4. For up to six (6) months following the expiration or termination of this Agreement, the Firm shall continue to pursue collection efforts for any matter referred by the District pursuant to this Agreement prior to the expiration of the Agreement. The District shall compensate the Firm according to the terms of this Agreement for Delinquent Taxes collected in relation to the Firm's services, even if those Delinquent Taxes are paid after termination or expiration of this Agreement.

VI. SERVICES OF THE FIRM

In Consideration of the compensation to be provided by the District to the Firm, the Firm shall provide the following services during the Term:

- (i) on behalf of the District, take appropriate, lawful, and ethical actions to attempt to collect Delinquent Taxes referred to the Firm;
- (ii) represent the District in legal action for the purpose of collecting Delinquent Taxes;

- (iii) intervene on behalf of District in suits for taxes filed by any taxing unit on property located within its taxing jurisdiction;
- (iv) make progress reports to District on any collection matter referred to the Firm within a reasonable time following written request from the District;
- (v) inform the District's tax collector or other designated officials of any errors, double assessments or other discrepancies it discovers in the course of the Firm's work;
- (vi) attempt to promptly advise District of all cases where investigation reveals taxpayers to be financially unable to pay their Delinquent Taxes;
- (vii) any other services deemed by the Firm to be reasonably necessary to collect the Delinquent Taxes; and
- (viii) obtain and carry Professional Liability Coverage, and Errors and Omissions coverage.

VII.

DUTIES OF THE DISTRICT

In addition to timely paying the Firm the compensation described below, the District shall have the following duties:

- (i) refer to the Firm any and all matter subject to collection under this Agreement, including but not limited to Delinquent Taxes which come due during the Term or matters which are otherwise identified in Article III, Section 2 above;
- (ii) provide to the Firm any and all data and information which the Firm may require or request to pursue the Delinquent Taxes, including but not limited to:
 - (a) the name of the Taxpayer;
 - (b) the last known address(es) for the Taxpayer;
 - (c) the years and the amount of Delinquent Taxes;
 - (d) specification of additional interest and penalties for a reasonable number of months following referral; and
 - (d) a legal description of the property the subject of the Delinquent Taxes or which secures the Delinquent Taxes.
- (iii) cooperate with the Firm in collection efforts, including but not limited to:
 - (a) updating information by furnishing a list of paid accounts and adjustments to the tax roll as appropriate and to assist the Firm in the collection of the Delinquent Taxes;
 - (b) promptly providing updated information when requested for accounts subject to collection efforts, including but not limited to accurate calculations of Payoff Amounts;
 - (c) promptly considering and responding to requests for decisions – such as whether to pursue litigation with regard to a particular matter, or what offers to tender, if any, to taxpayers who cannot pay Delinquent Taxes;

- (d) accepting calls from the Firm, and promptly returning calls and written communications from the Firm if the authorized representative of the District is not available; and
 - (e) if appropriate and requested, ensuring a qualified representative of the District is available to appear at court hearings or other proceedings.
- (iv) promptly inform the Firm of any notices it may receive during the Term in relation to collection of Taxes, including but not limited to:
 - (a) notices related to bankruptcy filings;
 - (b) demand letters from taxpayers or their counsel;
 - (c) writs or subpoenas received in relation to tax collection efforts; or
 - (d) other documents or notices which may, directly or indirectly, relate to the collection efforts of the Firm; and
- (v) The District's tax collector or other designated official agrees to promptly investigate and report in relation to any errors, double assessments, or other discrepancies which may be reported to it. Upon verification by the District of the error, double assessment or other inaccuracy, the portion improperly assessed, if any, shall no longer be subject to collection efforts by the Firm.

VIII.

COMPENSATION

1. For the Firm's services provided hereunder, District agrees to pay to Firm as compensation (20%) percent of the amount of all Delinquent Taxes (including current year and prior taxes, penalty and interest) subject to the terms of this Contract and collected and paid to District's tax collector, when collected. District shall pay the Firm its compensation within thirty (30) days of receipt of payment by the District tax collector.

2. Section 33.48(a) (4) of the Texas Property Tax Code provides: "In addition to other costs authorized by law, a taxing unit is entitled to recover reasonable expenses that are incurred by the taxing unit in determining the name, identity and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due." The Firm agrees to advance on behalf of District such costs and expenses. In consideration of the advancement of such costs and expenses by the Firm, District assigns its right to recover the same to the extent approved by the Court and/or customarily and usually approved by the Court. The Firm expressly waives any claim against District for uncollected costs or expenses.

3. Compensation to the Firm for collecting delinquent tax accounts subject to bankruptcy protection shall be limited to any additional penalty (as defined by Texas Property Tax Code Sections 33.07 and 33.08), attorney fees awarded by the Court, or amounts designated as attorney fees by the debtor, if and only when actually collected. For purposes of awarding attorneys' fees in bankruptcy proceedings in connection with the collection of taxes (delinquent or otherwise), the parties have agreed that attorneys' fees shall be a contingency fee of twenty (20%) of delinquent base taxes, penalties and interest due to the District and that such contingency fee is reasonable and appropriate for such services. Nonetheless, the District shall be under no obligation to compensate the Firm for its services out of the amounts identified as base taxes, penalties or interest and paid to the District or its tax assessor-collector.

IX.
ADDITIONAL TERMS

1. Before any controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this Agreement may proceed to any other forum for adjudication, the parties, within sixty days the written request of one party served on the other, shall mediate through an agreed neutral mediator. If mediation is not successful, the parties agree that any controversy involving the construction or application of any of the terms, covenants, or conditions of this Agreement, shall be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the Texas General Arbitration Act.

2. This Agreement shall be exclusively governed by and construed according to the laws of the State of Texas and venue for any dispute shall be in Collin County, Texas.

3. This Agreement may only be amended or modified by a written document executed by the Parties and which unequivocally indicates the Parties' intention to modify this Agreement.

4. The Parties agree that the captions and headings contained in this Agreement are for convenience only and shall not be deemed to constitute a part of this Agreement.

5. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which shall constitute one and the same document. A facsimile executed copy of this Agreement, which has been executed by all of the Parties, shall have the same force and effect as an original.

6. The Parties have participated or been provided an opportunity to participate in the drafting of this Agreement, and have presented or been provided the opportunity to present this Agreement to counsel of their choosing for review. Accordingly, in the event of any ambiguity or conflict, the parties agree this Agreement shall not be construed against the drafter.

7. This Agreement contains the entire agreement between the parties hereto and may only be modified in a written amendment, executed by both parties.

8. The persons signing below represent that they are authorized representatives of the respective entities on whose behalf they purport to execute this Agreement.

Effective this day of _____, 2025.

Princeton ISD

Abernathy, Roeder, Boyd, & Hullett, PC

By: _____

By: _____

Title: _____

Title: Director

Date: _____

Date: _____

Written Findings as to the Collections Contract with Abernathy, Roeder, Boyd & Hullett, P.C.:

The governing body for the District, in support of its decision to contract with Abernathy, Roeder, Boyd & Hullett, P.C. and pursuant to Section 2254.1036, of the Government Code, hereby finds the following to be true:

- 1) there is a substantial need for the legal services specified in said contract;
- 2) these legal services cannot be adequately performed by the attorneys and supporting personnel of the District; and
- 3) these legal services cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the matter for which these services will be obtained or because District does not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees.

APPROVED and EXECUTED this the ____ day of _____, 2025.

Title: _____

Princeton Independent School District