

LEGAL SERVICES AGREEMENT

Delinquent Tax Collection

This AGREEMENT is made and entered into by and between TAXING AUTHORITY CONSULTING SERVICES, PC (hereinafter "TACS"), and TOWN OF BOWLING GREEN (hereinafter "LOCALITY"), together, the "Parties", pursuant to Code of Virginia §§ 58.1-3934 and/or 58.1-3966.

1. SCOPE OF REPRESENTATION

LOCALITY hereby retains TACS to assist with the collection of certain accounts as its attorney and undertaking such work shall constitute an attorney-client relationship. TACS shall have full authority to perform all acts necessary to effect the collection of the accounts (the "Legal Services"), is designated as an official authorized to collect taxes for the locality, and is authorized to receive payments made on the accounts and to endorse LOCALITY'S name on any checks or other negotiable instruments that may be received in payment on the accounts; to arrange for payments under such terms as TACS deems appropriate for any account; to commence a lawsuit on behalf of LOCALITY; and to use all other necessary legal or administrative tools authorized by law for the recovery of the accounts.

2. LOCALITY RESPONSIBILITIES

Upon assignment of the accounts to TACS, LOCALITY will provide TACS with information reasonably necessary for TACS to perform the Legal Services.

LOCALITY represents and warrants to TACS that (a) the account information provided to TACS and the account balances are accurate and complete; (b) LOCALITY has not received notification that any of the account debtors are in bankruptcy and will immediately notify TACS if it receives notification of a bankruptcy filing by any of the account debtors; (c) all add-on charges such as interest, late fees and collection fees are just and owing and authorized by applicable law, by contract or both; (d) LOCALITY will promptly notify TACS of any adjustments or corrections made to the amount due; (e) any previous collection agency/attorney engaged for the collection of the accounts has been instructed to cease and desist contact with the account debtor; (f) the Statute of Limitations on collection of the account has not run; and (g) upon notification by TACS of a dispute or request for verification of information with respect to any account, LOCALITY will promptly furnish TACS such information.

LOCALITY shall provide regular and periodic update files (or data) on an agreed basis to reasonably maintain appropriate account balances with TACS.

LOCALITY shall refer new accounts that are eligible for turnover on no less than an annual basis.

LOCALITY shall report payments made by debtors directly to LOCALITY on a timely basis that the LOCALITY deposits in its bank. These payments will show on a remittance statement to TACS as payments made directly to the LOCALITY and the TACS fee will be charged, collected, and remitted or handled as otherwise agreed. The LOCALITY may also choose to forward any payments received from the debtor to TACS for deposit and posting. LOCALITY understands and agrees that if it takes any payments directly on accounts that have been referred to TACS without TACS's fee, such fee will be invoiced to LOCALITY, unless otherwise agreed.

3. TACS RESPONSIBILITIES

TACS shall perform all responsibilities under this Agreement as LOCALITY's Attorney-in-fact.

TACS shall accept account referrals from the LOCALITY in a mutually acceptable format via file transfer or will provide LOCALITY with a template to be completed with the necessary data fields. TACS shall ensure that its collection system for processing accounts and its reports are compatible with the LOCALITY'S method of account referral and necessary accounting.

TACS will prepare a weekly Remittance Report listing the account name, account number, credits to the accounts (for accounts involving litigation, recovered costs), total amount collected, and TACS fees associated with the collections. TACS shall remit collected funds to LOCALITY on a weekly basis on a slight delay to permit such funds to clear through the banking system. TACS shall deposit all funds collected in an attorney trust account.

TACS will prepare a report quarterly, or on a more frequent basis if otherwise agreed, of the overall collections with details about the litigation status of the parcels. TACS will prepare other such reports as may be reasonably requested by the LOCALITY.

4. FEES FOR SERVICES

The Parties agree that TACS shall be entitled to receive a fee of 20% of any collected account balances, save and except that TACS shall not be paid for collection of account balances achieved through the state set off debt program.

For accounts that proceed to a real estate tax litigation, or through the non-judicial tax sale process, TACS's fee shall be as follows:

- a. A fee of 25% of the collected balances subsequent to filing suit, or where the property is being sold by non-judicial sale;
- b. If appointed as Special Commissioner of Sale, the fee shall be the greater of 25% of all collected account balances due or the statutory fee permitted the Commissioner of Sale.
- c. Properties which are sold at a delinquent tax auction shall be subject to a minimum legal services fee of \$2,500.00 provided funds are available after the payment of all taxes and costs of sale.
- d. Properties which are sold pursuant to Code of Virginia § 58.1-3975 at a non-judicial sale shall be subject to a minimum legal services fee of \$750.00 provided funds are available after the payment of all taxes and costs of sale.
- e. Notwithstanding the foregoing, the LOCALITY may elect not to pursue certain parcels to tax sale on account of the costs involved.
- f. TACS may also be retained to act as the agent of LOCALITY to hold excess funds from non-judicial sales for an additional fee which can be adopted as an Addendum to this Agreement.

5. COSTS OF LITIGATION AND OTHER COLLECTION EFFORTS

LOCALITY understands that certain costs will be incurred in the process of litigation, conducting judicial or non-judicial sales of properties subject to delinquent real estate taxes, and in the performance

of other collection efforts made on behalf of the LOCALITY. Anticipated costs include, but are not limited to, title research, appraisals, auction services, surveys, court costs or service fees, publication costs and guardian ad litem fees that are ultimately the responsibility of the LOCALITY to pay.

Such costs shall be accounted for and paid to LOCALITY first prior to any proration of recovered funds. In the event another jurisdiction (for example a COUNTY) is also seeking to collect delinquent taxes in the same action, TACS may opt to bill the full expenses to LOCALITY for ease of administration. In the event the Costs are not fully recovered from redemption or sale (and remitted to LOCALITY), TACS shall bill COUNTY for their pro rata portion of the costs and will return them to the LOCALITY.

LOCALITY acknowledges that TACS may elect to perform any services required in the collection of delinquent accounts, including, but not limited to title research, appraisals and auction services with its own employees or subsidiaries and may be reasonably compensated for such services performed. It is agreed that TACS shall receive payment of any unreimbursed costs incurred resulting from the litigation or collection efforts undertaken for LOCALITY.

6. OTHER TERMS

The Parties shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

LOCALITY acknowledges that TACS may represent other governmental entities and hereby consents to such representation of other governmental entities that may also be seeking payment from the same debtor. If TACS recovers payment from a debtor indebted to two or more client entities, such payment will be divided pro rata between or among the client entities unless otherwise dictated by the debtor.

The Parties acknowledge that other services may be desired and agree that such services may be added to this Agreement when such services are defined. Such new work, prior to being initiated, shall be specified in writing as mutually agreed to between the Parties.

TACS understands and acknowledges that in representing the LOCALITY it will be privy to confidential information concerning taxpayers, their tax obligations, and their property. TACS shall not use any information so provided other than for the purposes of this Legal Services Agreement and shall be bound to keep such information confidential pursuant to the terms of Virginia Code § 58.1-3.

This agreement shall remain in full force and effect until canceled or revoked by either party, upon 30 days written notice. If cancelled, TACS shall be entitled to recovery of any costs expended on LOCALITY's behalf in accordance with this Agreement, as well as reasonable attorney fees to cover its services.

The terms of this Agreement shall constitute the complete and exclusive statement of understanding between the Parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, both Parties have caused this Legal Services Agreement to be signed by their duly authorized representatives on the date set forth below.

TACS, P.C.

TOWN OF BOWLING GREEN

Print Name

Print Name

Partner

Title

Director of Finance / Treasurer

Title

Signature

Signature

Date

Date