

**LEGAL SERVICES AGREEMENT**  
*Delinquent Tax Collection*

THIS AGREEMENT is made and entered into by and between TAXING AUTHORITY CONSULTING SERVICES, PC (hereinafter "TACS"), and the CARROLL COUNTY TREASURER (hereinafter "COUNTY"), together the parties pursuant to Code of Virginia §58.1-3966.

TACS shall furnish Legal Services as set forth in the attached Statement of Work.

1. The terms of this Agreement and the attached Statement of Work shall constitute the complete and exclusive statement of understanding between the parties relating to the subject matter of this Agreement.
2. TACS shall provide legal services to COUNTY with regard to the collection of delinquent real estate taxes and the sale of real estate for the repayment of delinquent real estate taxes. The parties agree that TACS shall be entitled to receive a fee of 20% of any assigned account balances it collects, save and except that TACS shall not be paid for collection of assigned account balances achieved through the state set off debt program.

For accounts that proceed to a real estate tax sale, TACS' fee shall be as follows:

- a. A fee of 25% of the assigned account balances it collects subsequent to filing suit, or where the property is sold by non-judicial sale;
  - b. If appointed as Special Commissioner of Sale, the fee shall be the greater of 25% of all assigned 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 \$1,500.00 provided funds are available after the payment of all taxes and costs of sale. 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 \$500.00 provided funds are available after the payment of all taxes and costs of sale.
  - d. TACS shall not be paid for collection through the state set off debt program.
  - e. It is agreed that TACS shall receive payment any unreimbursed costs incurred resulting from the sale as set forth below.
  - f. Notwithstanding the foregoing, the COUNTY may elect not to pursue certain parcels to tax sale on account of the costs involved.
3. COUNTY understands that certain costs will be incurred in the process of conducting judicial sales of properties subject to delinquent real estate taxes. Anticipated costs include, but are not limited to, title research, appraisals, surveys, court costs or service fees, publication costs and guardian ad litem fees that are ultimately the responsibility of the COUNTY to pay. Such costs shall be accounted for and paid to COUNTY first prior to any proration of recovered funds. COUNTY acknowledges that TACS may elect to perform services required in the collection of delinquent real estate taxes, including, but not limited to title research, with its own employees and may be reasonably compensated for such services performed.
  4. Both 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.
  5. 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.
  6. COUNTY acknowledges that TACS represents other governmental entities and hereby consents to such representation of other governmental entities that may also be seeking payment from the same debtor.

In the event that TACS recovers payment from a debtor indebted to 2 or more client entities, such payment will be divided pro rata between or among the client entities unless otherwise dictated by the debtor.

7. The parties acknowledge that other collection 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.

8. TACS understand and acknowledges that in representing the COUNTY 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 Agreement and shall be bound to keep such information confidential pursuant to the terms of Virginia Code §58.1-3.

9. This agreement shall remain in full force and effect until canceled or revoked by either party, upon 30 days written notice.

IN WITNESS WHEREOF, both Parties have caused this Agreement to be signed by their duly authorized representatives on the day and year first set forth herein above.

TACS, PC

CARROLL COUNTY TREASURER

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Date

## STATEMENT OF WORK

1. This Statement of Work describes the respective roles and responsibilities of COUNTY and TACS in performing the requested work.

COUNTY hereby assigns to TACS certain accounts for collection. TACS shall have full authority to perform all acts necessary to effect the collection of the accounts (the "Legal Services"), and is authorized to receive payments made on the accounts and to endorse COUNTY'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 COUNTY and to use all other necessary legal proceedings for the recovery of the accounts; and/or place information regarding the accounts with one or more credit bureaus.

COUNTY acknowledges that the Collection Services will be performed by TACS as its attorney and that such work constitutes an attorney-client relationship.

### 2. COUNTY RESPONSIBILITIES

- 2.1. Upon assignment of the accounts to TACS, COUNTY will provide TACS with information reasonably necessary for TACS to perform the Legal Services. COUNTY represents and warrants to TACS that (a) the account information provided TACS and the account balances are accurate and complete; (b) COUNTY 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) any previous collection agency engaged for the collection of the accounts has been instructed to cease and desist contact with the account debtor; and (e) upon notification by TACS of a dispute or request for verification of information with respect to any account, COUNTY will promptly furnish TACS such information.
- 2.2. COUNTY shall promptly notify TACS of any adjustments or corrections made to the amount due.
- 2.3. COUNTY shall report payments made by debtors directly to COUNTY on a timely basis that the COUNTY deposits in its bank. These payments will show on a remittance statement as payments made directly to the COUNTY and the TACS fee will be charged, or will be reported as otherwise agreed. The COUNTY may also choose to forward any payments received from the debtor to TACS for deposit and posting.

### 3. TACS RESPONSIBILITIES

- 3.1. TACS shall use any and all legal means available to locate and engage debtors to pay the entire amount of their outstanding accounts owed to the COUNTY. Such collection tools, subject to the approval of the COUNTY or used in conjunction with the COUNTY, may include the following: Delinquent notices; Telephone calls; Issuing Liens against property held by third parties (Employers, Banks and other Financial Institutions, Rents, Receivables, Clients, Customers, Etc.); Distress, Booting or Towing; Summons; Court Suits; Judicial Sale of Real Property; Advertising; DMV Stops; Setoff Debt; Non-Judicial Sales; Permit Withholding; or Field visits.
- 3.2. TACS may not settle any account for less than the full amount owed, unless otherwise directed in writing, by the COUNTY.
- 3.3. TACS shall accept electronic account referrals from the COUNTY and referrals that require manual input into the TACS collection system. Accounts sent electronically will be in a mutually acceptable format by tape, diskette or via e-mail. TACS shall insure that its collection system for processing accounts and its reports are compatible with the COUNTY'S method of account referral and necessary accounting.

### 4. REPORTING/OTHER REQUIREMENTS

- 4.1 TACS will prepare a regular 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.
- 4.2 TACS shall remit collected funds to COUNTY 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.
- 4.3 TACS will prepare a quarterly report of the overall collections with details about the litigation status of the parcels.
- 4.4 TACS will prepare other such reports as may be reasonably requested by the COUNTY.

# WHAT TO EXPECT WHEN YOU'RE EXPECTING TACS TO HANDLE YOUR JUDICIAL SALES (OPERATIONAL GUIDELINES)

(Updated March 2018)

## ASSIGNMENT

- TACS receives assignments of delinquent accounts on a portfolio basis (all accounts meeting certain criteria (age) are turned over).
- Unless otherwise instructed, TACS will run a general collections process on these accounts. That process will include mailings, phone calls, skip tracing, payment plans, lien searches, etc. While this will lengthen the time it takes to have an auction, it often results in payment without having to resort to court and the expenses of the litigation process.

TACS WILL RUN A GENERAL  
COLLECTIONS PROCESS ON  
ASSIGNED ACCOUNTS

## PREPARATION FOR SALE PROCESS

- After the general collections process has run its course, generally 3-5 months; TACS will prepare to start the litigation process.
- We will prepare an ad for the local paper listing the properties on which we are going to start proceedings. (see sample copy of Initial Advertisement attached)
  - The ad will be reviewed and approved by the locality.
  - There is often confusion in that citizens think the date stated in the ad is the date of the auction, however, that is only the date by which the litigation process may start.
- We will generally include all assigned properties in the ad unless they are on an active payment plan or in bankruptcy, or the sheer volume makes the ad unwieldy, or there are other reasons which we will discuss with you on a case-by-case basis.
  - This does **not** mean that all of these properties will be sold at the same time, it just means they are all eligible to move forward to a sale
- Once the ad has run, we will begin ordering titles.
- The costs of the Title reports (and other expenses of the sale process) will be billed to the locality.
  - We will add these costs into the balance due and recover them from redemption or sale.
  - If payments are made on an account with incurred costs, we will apply payment to the costs first.

SELECTING ACCOUNTS TO  
BEGIN THE LITIGATION  
PROCESS

## TITLE ORDER & REVIEW

- We try to work with a local title examiner that has good experience in your clerk's office.
  - We may ask you for a recommendation unless we have someone in the area already who has done good work for us
- We will typically order 20-30 titles at a time. This will create a batch that we will work through until auction.
  - Title review is very time consuming and it is often impractical for us or the courts to handle more cases. Moving the properties through in batches is more manageable and easier to track.
  - We will try to choose a reasonable selection of accounts to put in each batch looking at criteria such as the age of delinquency, the balance due, whether the property is improved, and other factors. We are always interested in knowing if you or the locality has priorities (such as condemned or nuisance properties) so we can prioritize our focus in ordering title and moving the properties to sale.
- Once the litigation is underway on the first batch, we will order additional titles to take through to a second sale and will keep doing the same. We do not have to wait for the properties to be auctioned before placing a second title order and starting the litigation process on that new batch.
- Titles should take around 30-45 days for a basic title and up to 100 days for something more complex and it can take us anywhere from a few days to several weeks to review an individual title.

WORKING THROUGH TITLE  
ORDERS AND BATCHING THE  
PROPERTIES

## SUIT, AFFIDAVITS, DECREES & ORDERS

- We will begin reviewing the titles and will send letters to parties who may have a legal interest in the parcel (e.g. Known Relatives, Deed of Trust Holders, Judgment Holders).
  - You may hear from some of these people; We are trying to identify anyone with an interest in the property prior to moving forward with the suit to see if anyone is interested in paying on the property.
- If there are parties who are unknown (heirs) we will have to serve them through an Order of Publication and have the court appoint a Guardian Ad Litem.
  - These are additional costs of the process
- We will also order an appraisal if value exceeds \$100,000.
  - If less than \$100,000, we will send the assessor an affidavit to be completed which attests to the value of the property (sample attached).
- You will receive copies of all court documents filed.

MOVING THE PARCELS  
THROUGH COURT; SERVICE  
AND NOTICE

## DECREE OF SALE (Permission to Sell Property)

- Once we have filed the Title Report, Affidavit of Publication for Order of Publication, and the Affidavit of the Commissioner of the Revenue or Appraisal we will Request a Hearing for Court to enter Decree of Sale.
  - Timing may be subject to the Court's schedule
- Decree of Sale Hearing is held and we will ask the court for permission to sell the subject properties
  - Court will ensure the proper parties are before the court
    - Court will ensure that TACS has followed the requirements of the statute providing appropriate Notice, Advertising and Service of Process.
- You are welcome to attend the hearing, but it is not required.

REQUESTING COURT  
PERMISSION TO SELL THE  
PROPERTY

## AUCTION

- We can now schedule an Auction (scheduled approximately 6 weeks after Decree of Sale)(copy of notice attached)
  - We need to advertise in the newspaper, once a week for two consecutive weeks.
  - We will also coordinate with locality, court, auctioneer to select location and schedule.
  - You may receive inquiries about the sale; you can direct interested bidders to our website.  
<http://taxsales.taxva.com> for information about the terms of sale and the properties offered
  - We will also provide your office, the Clerk's office and the Commissioner of Revenue with information packets to distribute to those interested.
- The auction is conducted in the order of listed properties.
  - We will try to arrange the parcels in a way to keep interest until the end.
  - At a minimum, we hope to cover the costs and taxes from the sale, although this is not always possible.
  - For some parcels (e.g. those with long periods of delinquency, or high delinquent amounts – especially compared to the assessed value of the property), some taxes may have to be written off, but sometimes this is the only way to get them back on the active tax rolls in the hands of someone who is going to do something worthwhile with the property.
  - We reserve the right to reject low bids and may need to consult with you if there is only minimal interest in certain of the parcels.
- Once the sale is concluded, the high bidders will enter agreements to purchase the property.
  - We will collect deposits (typically 25% or \$1000, whichever is greater).
  - If the sale is confirmed (see below), they will be responsible for the taxes from the date of sale forward.

SETTING UP AND  
CONDUCTING THE  
AUCTION

## DECREE OF CONFIRMATION

- After the sale, we have to get the Court's approval before we can issue deeds and the title transfers.
- We file a Report of Sale and Request for Confirmation with the court.
  - You will receive copies of all filings.
  - Subject to court schedule.
- Court will review the adequacy of the sale and the bids for the properties.
  - Sometimes seemingly inadequate bids can be confirmed if we can show special circumstances:
    - Property is landlocked.
    - Structure is dilapidated.
    - Property location is unknown.
- If approved, we will contact the high bidders and collect the balance of purchase price and recording fees.
  - Issue Deed--Special Warranty Deed
  - Disburse funds to locality with instructions of how they should be applied
  - Disburse Surplus funds to Clerk
    - To be paid to locality if not claimed within 2 years
  - Unpaid Taxes marked satisfied

CONFIRMATION OF  
SALE AND  
DISTRIBUTION OF  
PROCEEDS



## Initial Advertisement

### NOTICE OF DELINQUENT TAXES AND JUDICIAL SALE OF REAL PROPERTY

On July 25, 2015, or as soon thereafter as may be effected, actions will be commenced under the authority of Virginia Code §58.1-3965, *et seq.*, to begin proceedings to sell the following parcels of real estate for the payment of Patrick County delinquent real estate taxes:

| <u>Property Owner(s)</u>              | <u>Tax Map No.</u> | <u>Account No.</u> | <u>TACS No.</u> |
|---------------------------------------|--------------------|--------------------|-----------------|
| Scott Edward & <u>Harvelyn</u> Rogers | 5117-40            | 48380              | 162404          |
| Garland E. & Eunice Sheets            | 5218-8-113         | 25880              | 229092          |
| Kenneth Bryce <u>Ziglar</u>           | 5213-166           | 70124              | 162424          |

Properties subject to delinquent real estate taxes may be redeemed by paying all accumulated taxes, penalties, interest, costs and fees. Payments should be made payable to **County of Patrick** and mailed to **Taxing Authority Consulting Services PC, Post Office Box 31800, Henrico, Virginia, 23294-1800**. Interested bidders and inquiries regarding the above-listed properties should be directed to TACS at (804) 545-2500, [taxsales@taxva.com](mailto:taxsales@taxva.com) or [www.taxva.com](http://www.taxva.com) or by mail to:

John A. Rife, Esq.  
Re: Patrick County Delinquent RE Taxes  
Taxing Authority Consulting Services, PC  
Post Office Box 31800  
Henrico, VA 23294-1800

Affidavit of Commissioner of the Revenue

VIRGINIA: IN THE CIRCUIT COURT OF THE COUNTY OF LANCASTER

COUNTY OF LANCASTER, VIRGINIA,  
a Political Subdivision of  
the Commonwealth of Virginia.

Complainant,

v.

KELLEY, LAZARUS, ET AL.,

Respondent(s).

Case No. CL13000063-00

AFFIDAVIT OF THE COMMISSIONER OF THE REVENUE

I, George E. Thomas, Commissioner of the Revenue of the County of Lancaster,

Virginia, do hereby state and affirm under oath the following:

1. That the parcel known as Tax Map Number 34-143 (Account Number 10982) is located within the jurisdiction of County of Lancaster, Virginia;
2. That the subject real property, as shown on the land records of County of Lancaster, Virginia, has an assessed value of \$22,500.00 including land and any improvements located thereon; and

And further, the affiant aveth not.

Affidavit of GEB  
County of Lancaster v. Kelley, Lazarus et al.  
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Signed this the \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Commissioner of the Revenue

COMMONWEALTH OF VIRGINIA  
COUNTY OF LANCASTER, to-wit:

I hereby certify that the foregoing was sworn and subscribed before me, a Virginia

Notary Public, in and for the jurisdictions aforesaid, on this the \_\_\_\_ day of \_\_\_\_\_,  
2015.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

# Auction Notice

## NOTICE OF PUBLIC AUCTION SPECIAL COMMISSIONER'S SALE OF REAL ESTATE COUNTY OF WASHINGTON, VIRGINIA

Pursuant to the terms of those certain Decrees of Sale entered in the Circuit Court of the County of Washington, the undersigned Special Commissioner will offer for sale at public auction the following described real estate in the Board of Supervisors Meeting Room for Washington County, located at 1 Government Center Place, Abingdon, Virginia, 24210, on **Monday, June 29, 2015 at 3:30pm** or as soon thereafter as may be effected. The sale of such property is subject to the terms and conditions below and any such terms and conditions which may be announced on the day of the auction. Announcements made on the day of the auction take precedence over any prior written or verbal terms of sale.

| Proprietor/Owner                  | Identification  | Description  |
|-----------------------------------|---|--|
| 1. Jane & Lucy Carter             | Fee Map No 127-A-78<br>Act No 22499<br>IACS No 164660     | Vacant lot approx. 1/2 acre, Asher Road, Abingdon                                      |
| 2. Joe Cowan et al                | Fee Map No 135-C-11<br>Act No 22488<br>IACS No 164663     | Vacant lot approx. 0.13 acre, east of Mock Knob Road, south of Bedelsham Road          |
| 3. Joe Cowan et al                | Fee Map No 135-C-12<br>Act No 22690<br>IACS No 164663     | Vacant lot approx. 8 acres, east of Mock Knob Road, south of Bedelsham Road            |
| 4. Joe Cowan et al                | Fee Map No 135-C-13<br>Act No 22691<br>IACS No 164665     | Vacant lot approx. 0.22 acre, east of Mock Knob Road, south of Bedelsham Road          |
| 5. Joe Cowan et al                | Fee Map No 135-C-15<br>Act No 22689<br>IACS No 164665     | Vacant lot approx. 3 acres, east of Mock Knob Road, south of Bedelsham Road            |
| 6. Karen E. Denton                | Fee Map No 067-A1-A-29<br>Act No 21804<br>IACS No 164655  | Vacant lot approx. 0.04 acre, Hillman Highway, Meadowsview                             |
| 7. Robert Wayne Masoud            | Fee Map No 067-A1-A-35<br>Act No 21616<br>IACS No 164657  | Vacant lot approx. 0.26 acre, south of Hillman Highway and Chickadee Lane, Meadowsview |
| 8. Unknown (Old Macedonia Church) | Fee Map No 106-17-2A<br>Act No 32735<br>IACS No 164658    | Approx. 1/2 acre on Wangra Road, formerly Old Macedonia Church                         |
| 9. Ned V. Young Estate            | Fee Map No 057-A1-A-188<br>Act No 18818<br>IACS No 164651 | Vacant lot approx. 0.5 acre, Azalea Drive, Glade Spring                                |

**TERMS OF SALE:** All sales are subject to confirmation by the Circuit Court of the County of Washington. The highest bidder shall deposit twenty-five percent (25%) or One Thousand Dollars (\$1,000.00), whichever is higher, at the time of the auction. Bids which are less than One Thousand Dollars (\$1,000.00) shall be paid in full at the time of the auction. Deposits shall not exceed Twenty Thousand Dollars (\$20,000.00). Such sum shall be held by the Special Commissioner and credited towards the purchase price following confirmation of the sale. All deposits must be made in the form of personal check, traveler's check, cashier's check or money

order. No cash will be accepted. The balance of the purchase price shall be deposited by the highest bidder with the Special Commissioner within fifteen (15) days of confirmation of the sale by the Court. The Special Commissioner of Sale has the right to reject any bids determined to be unreasonable in relation to the estimated value of the Property. Properties are conveyed by Special Warranty Deed, subject to any easements, covenants, agreements, restrictions, reservations, and any and all rights of record which may affect the property. **There will be a flat fee of \$75.00 per parcel as well as a 10% buyer's premium added to the final bid to determine final contract price.** Recording costs for deed recordation will be the responsibility of the successful bidder and will be due with the balance of the purchase price within fifteen (15) days of confirmation of sale by the Court.

Properties are offered for sale as-is, with all faults and without any warranty, either expressed or implied. Persons are encouraged to make a visual inspection of the property within the limits of the law and to obtain an independent title search prior to bidding on any of the properties. Bidders are strongly encouraged to make their own inspection to determine the suitability of the property, and it is assumed that all bidders will perform due diligence prior to the day of the auction. Any costs incurred by the bidder to inspect the property are at the expense of the bidder and are non-refundable.

Please be advised that in order to qualify as a bidder at this auction, you may not owe delinquent taxes to the County of Washington and you may not be a Defendant in any pending delinquent tax matter. Questions concerning the properties subject to sale or the tax sale process should be directed to TACS online at [www.taxva.com](http://www.taxva.com), by email to [taxsales@taxva.com](mailto:taxsales@taxva.com), or by phone to (804) 612-9041.

John A. Rife, Esq.  
Special Commissioner  
Taxing Authority Consulting Services, PC  
P O Box 31800  
Henrico, Virginia 23294-1800