

Bill Leonard, Dave Gordon

Berkheimer Tax Administrators

The following changes have been reviewed by our attorney and at this time I am sending the changes to Mr. Leonard and Mr. Gordon. Please make the following changes to the original contract that is in the RFP and which was altered by Mr. Gordon. When these changes have been made, send the contract including the changes to me with the title of "Berkheimer Contract Document 3 " If everything is satisfactory we will at that time proceed with the contract process. Thank You, James H. Berger, Treasurer, Mercer County TCC

I have listed the changes by contract page number. Where Berkheimers' input was requested concerning any changes, Berkheimers' input is listed and is identified with the notation " BERK OK " and we have agreed previously to their changes so we will use Berkheimers' changes.

Original Contract Changes

1. BERK OK Pg 24, item 2d Delinquent Tax: "add" MCTC C will approve Berkheimer to outsource all delinquent tax collections under MCTCC discretion and with MCTCC approval
2. BERK OK Pg 25, item 3a Term: term of agreement 3year contract with up to [2], one year additional periods at the discretion of MCTCC
3. BERK OK Pg 25, item 3c (1): put all of red lined wording back into contract. Also ADD MCTCC requires yearly audit at no cost to MCTCC. [Bill....will meet with finance committee and not public]
4. BERK OK Pg 26, item 3 SeparateTrust Funds. Put all of "red" back in contract, we need yearly bond rating report (i.e. A, AA, AAA, B, BB etc.) [Bill...will meet with finance committee and not public]
5. BERK OK Pg 29, item E (1)DELETE "Option 1.....within TCD" from paragraph
Pg 29, item E (2) put "red" back in contract, "add" Berkheimer pays initial mailing.
Pg.29, item E (3) line 3 AFTER " Collector's principle office" ADD" and local office"
Pg29, item E (3) line 4 AFTER "credit card payments" ADD " at taxpayer expense"
Pg 29, item E (5) take out " blue " put " red " (next page) back in,
6. BERK OK Pg 30, item f(1)"ADD" we want all monies received to be deposited to our account twice weekly or within 4 (four) days of receipt of funds.
7. Pg 30, item f (4) Investment Earnings Allocation[remove existing paragraph from contract, and insert the following paragraph in its place]
(4) **Investment Earnings Allocation** Collector each month will allocate investment earnings in excess of three and one half percent (3.5%) derived from all Tax and Related Amounts collected or held by Collector under this Agreement to the proper Taxing Authorities. Collector will allocate investment earnings in excess of three and one half percent (3.5%) in accordance with this Section 4(f) (4) until directed otherwise by the MCTCC, at which time Collector will follow such future direction. In the absence of other MCTCC direction, Collector will allocate such amounts pro rata based on undistributed invested daily balances allocated during the month to: (i) each Taxing Authority entitled to receive Tax and Related Amounts; (ii) political subdivisions in other tax collection districts entitled to receive Tax and Related Amounts; or (iii) Unidentified Funds. As to investment earnings allocated to Unidentified Funds, Collector will further allocate such earnings each month to Taxing Authorities pro rata based on the Tax and Related Amounts Collector distributed during the month to such Taxing Authorities.
- 8 BERK OK Pg 31, item (5) top of page, put "pay" and " back" in contract, put "law " back in contract also. ADD AFTER LAST SENTENCE "Collector agrees to 3.5% rate cap ceiling on interest received.. Collector agrees to furnish on a monthly basis a report showing all interest received on all monies collected, distributed, and/or held

for identification.

Pg31, item g (1) CHANGE First Sentence to read “ Collector will distribute on Tuesday and Friday of each week all Tax and Related amounts identified as legally due to each Taxing Authority.

9. BERK OK Pg 32 - 33, item I (1) put all “red “back in contract, this tracks our money and interest.
[Bill...Berkheimer will provide reports but possibly not in this format in contract]

10. BERK OK Pg34, item (iv) to (v), take out “ blue “ and put all “red “ back in contract. [Bill...stay with Act 32 requirement]

11. BERK OK Pg 35, item (3) Annual Report LEAVE AS IS IN CONTRACT

12. BERK OK Pg 36, item (2) Taxpayer mailings, “after “Taxpayers. [Add] “on or before January 10 yearly”

13. BERK OK Pg 37, item (4) Examination.....Returns, line 2 correct spelling to read [years] not {ears} and delete “Received by” add “post marked on or before “April 15”. All “blue” changes in this paragraph are OK

14. Pg 37, Item (5) line 2 AFTER “income has” ADD “not”
Pg. 37, item (5) line 3 AFTER “conduct audits” ADD “of “
Pg. 37, item (7) Delinquent Tax... LEAVE AS IS IN CONTRACT

15. Pg 38, item (3) Criminal Prosecutions...[Blue] and “Red “changes are OK;

16. Pg 39, item (iii) “blue “changes ok

17. Pg 39, item (iv) put “red “back in

18. Pg40, item (10) Enactment Validity [CHANGE SENTENCE TO READ]
“ If an Enactment is challenged in court, Collector will continue to collect the tax unless otherwise enjoined by court order or otherwise directed by the TCC.”
Pg 40, item p, leave as changed

19. BERK OK Pg 41, item b, “add” 1.6% to paragraph.
item b; delete “red “postage “add” postage for initial mailing
item b, delete [TCC] add “TCD “ “ add “ beyond initial mailing

20. BERK OK Pg 41, item e, Delinquent Tax Collection Commission “delete” collector...provided above.
item e, “add” [after “an amount equal to] 1.6 percent 1.6% [Bill.. mailing cost to be split between TCD and school district]

21. Pg 41, item 8(b)” delete “blue” and renumber sentences in paragraph

22. Pg 42, [line 7 from top of page] change sentence to read “ item (1) to (4)”
Pg 42, delete “blue” paragraph bottom of page and comment DRG8

23.Pg. 43, item 8 (d) line 4 CHANGE “ certifies” to read “ certificates “
Pg 43, item 9(a) “blue” comments OK, 4th line of paragraph change “ dishonest “ to “dishonesty”
Pg 43, item c, line 5 of paragraph AFTER “termination notice” DELETE WORDS “within notice”

24. BERK OK Pg 44, item 10(g) Collector Summary Report “add to last sentence in paragraph [(6) Collector will retrieve and supply clients records at no cost to TCC in an electronic form that has been segregated from all other clients records (7) TCC will receive at no cost to TCC a full electronic data dump of information yearly and at termination
Pg. 44, Item 10 (h) [after]”Collector will promptly transfer” add “at no cost to TCC”

25. BERK OK Pg 45, item k,[item K should read] Collector Financial Statements, Collector will deliver balance sheet and reports, in accordance with Section 4 (c) (Tax Collector Financial Statements) above, for the calendar year in which the termination does occur.

Pg. 45, item n, line 1, AFTER “collector “ DELETE “ill “ ADD “will “

26. Pg. 47, item 13(f) line 2, AFTER “ tax collector” DELETE “ form” ADD “ for”

Pg 47, item 14a, “NOTE AS INTENTIONALLY OMMITTED” and reletter all other following paragraphs

27. Pg 47 – 48, item 14 (d) Assignment of Contracting, change so that first sentence of item will read {Collector will not assign , transfer, subcontract, outsource, or delegate any of its rights or responsibilities under this agreement without prior written approval from the TCC.} “DELETE” all “blue” in rest of this paragraph and continued on pg 48.

28. Pg 48 [side bar note by Berkheimer DRG 10] Roger, I think we should “leave in” the “red” proposed change to (h) Interpretation because we have made above changes they are referencing. Your comments please... Jim.

29. Pg 50, Exhibit B [side bar note by Berkheimer DRG11] ADD COMMENT 5 UNDER TABLE AND REFERENCE IT TO PROFESSIONAL LIABILITY “ (5) Collector shall use best efforts to obtain Professional Liability Insurance. If despite best effort, collector is unable to obtain Professional Liability Insurance this requirement is null and void. Collector shall provide documentation to substantiate its efforts. “

Exhibit C changes as made are OK

Exhibit D

1. Pg. 63, Item 9, changes as made are OK

2. Pg. 63, Item 11, “add to last sentence in paragraph “ Collector will retrieve and supply clients records at no cost to TCC in an electronic form that has been segregated from all other clients records . TCC will receive at no cost to TCC a full electronic data dump of information yearly and at termination

Note All other changes made by Berkheimer Tax Administrator are under legal review.