

**CONTRACT FOR FIRST REFERRAL COLLECTION SERVICES**  
**DIVERSIFIED COLLECTION SERVICES, INC.**

This Agreement entered into this 1st day of January 2012, by and between the Diversified Collection Services Inc. (hereinafter referred to as the DCS), and the Department of Finance, Division of Revenue of the State of Delaware (hereinafter referred to as the "Division"), witnesseth that:

WHEREAS, the Division desires to engage the DCS to render certain collections of first referral tax accounts receivables;

WHEREAS, the Secretary of Finance deems that the professional services herein contracted for are necessary and desirable in performance of the function of the Division of Revenue.

1. The Division hereby agrees to engage the DCS and the DCS agrees to perform the herein described services.
2. **Scope of Services.** The DCS shall do, perform, and carry out, in a satisfactory and proper manner as determined by the Division of Revenue the services identified in Exhibit A of this Contract. The "Request for Proposal for First Referral Collection Services, " Proposal # 25-06-01-05-02 dated June 20, 2011, and the DCS response to proposal, dated July 22, 2011, are hereby made part of this Contract and designated as Exhibit A. Sections I, II and III, of the "Request for Proposal" define the scope of services and all of Exhibit A, as well as the provisions of this Contract detail the performance specifications for collection on accounts.
3. **Personnel.** The DCS represents that it has, or will secure, all personnel required in performing the services under this Contract.
4. **Time of Performance.** The Services of DCS are to commence as soon as practicable after the execution of this Contract and shall be undertaken and completed in such sequence as to assure their completion in compliance with the terms, conditions and purpose of this Contract.
- 5a. **Method of Remittance.** The DCS agrees to satisfactorily perform all services requested according to the terms and conditions specified herein for the commission rates detailed in this contract. DCS agrees to remit all amounts collected under this Agreement on a weekly basis to the Division for the amounts collected during the prior weekly period.

Amounts collected by DCS shall be held in a special fund held in trust by the Division. A separate account shall be established and the Division may establish written requirements and/or procedures, which will become part of the contract, for the electronic transfer of such funds. DCS represents that it has, or will secure the functionality and processes necessary for the electronic transfer of funds and exchange of case data in accordance with any written requirement and/or procedures established by the Division.

5b. The Commission, as agreed upon, is as follows:

Commission	
Commission Rate	15.5% of amount collected
Litigation Rate	25% of amount collected

6. Method of Payment.

- (a) The Division will pay to the DCS the amount set forth in paragraph 5b, which shall constitute full and complete payment and consideration for the DCS services described herein. Such sum will be paid in the following manner but, in every case shall be subject to receipt of an invoice from DCS specifying, in a manner prescribed by the Division, that it has collected such amounts under this Contract in performance of the Contract.
- (b) The amounts due under paragraph 5b of this Contract shall not be paid until the collections on delinquent accounts have been received by the Division. In no event shall the commission due under paragraph 5b be withheld by DCS.
- (c) Commissions and payment of commissions will cease six (6) months after this Contract is terminated regardless of any installment plans in effect at that time except as provided for in Section 8.
- (d) The amounts due under paragraph 5b of this Contract shall be invoiced to the Division on a weekly basis.

7. Termination of Contract for Cause. If, through any cause, the DCS shall fail to fulfill as set forth herein its obligations under this Contract, or if the DCS shall violate any of the covenants, agreements, or stipulations of this Contract, the Division shall thereupon have the right to terminate this Contract after giving written notice to the DCS. Such termination shall be effective immediately upon receipt of written notice. In that

event, all finished or unfinished documents, data studies, and all reports or other material prepared by the DCS shall become the Division's property, and the DCS shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. In such case, such property shall be delivered, at DCS's expense, to the Division within seven (7) days of the receipt of the notice of termination. The filing of a petition in bankruptcy or insolvency by or against the DCS, shall terminate the contract. NOTWITHSTANDING THE ABOVE, the DCS shall not be relieved of liability to the Division by virtue of any breach of the Contract by the DCS, and the Division may withhold any payment to the DCS for the purpose of set-off until such times as the exact amount of damages due the Division from the DCS is determined.

8. Termination for Convenience of the Division of Revenue. The Division may terminate this Contract without cause at any time by giving written notice to the DCS of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 7 above shall become its property and shall be delivered to the Division in accordance with said paragraph. The DCS shall be entitled to receive 15.5% commission for any work completed on such documents and other materials.

Upon termination under this section, the DCS shall notify DOR of any accounts with installment plans in effect at the time of termination. DCS may retain these installment plans for a period not to exceed 12 months from the effective date of termination. DCS shall return any account who fails to make a payment during a ninety (90) day period, and DCS shall not receive any fee in connection with such account.

9. Assurances. The DCS hereby agrees that it will give the Division and/or the State Auditor, through any authorized representative of either, access to and the right to examine all records, workpapers, or documents related to the Contract and, during regular business hours from 8:00 a.m. through 5:00 p.m., to inspect the work being performed.
10. Assignability. The DCS shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Division.

11. **Interest of DCS.** The DCS covenants that it will take all precautions to be assured that it will employ no person in the performance of this Contract who has or acquires any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required to be performed under this Contract.
12. **Findings and Collection Confidentiality.** Any collection, reports, information, data, etc., given to or prepared or assembled by the DCS under this Contract which the Division requests be kept confidential shall not be made available by the DCS to any individual or organization without the prior written approval of the Division.
13. **Contract Period.** The Contract will be effective for a period of twelve (12) months beginning January 1, 2012 and ending December 31, 2012. By mutual agreement, this Contract may be renewed for four (4), successive one (1) year periods under the terms and conditions as spelled out in Section 1.2 of the Division's "Request for Proposal for First Referral Collection Services." All renewals in accordance with this Contract shall be agreed to in writing on or before December 31<sup>st</sup> of each successive year.
14. **Ethics.** The DCS shall not, under any circumstances, use any threats, intimidation, or harassment in the collection process or violate the Fair Debt Collections Practices Act or any other Federal or State law, rule or regulation or guidelines established by either the Federal or State Government. DCS must be a member of the American Collectors Association and shall comply strictly with the code of ethics adopted by this organization.
15. **Indemnification and Relationship of Parties.** DCS shall be an independent Contractor, licensed and bonded, and solely responsible for the employment, acts and omissions, control, and direction of its employees. The DCS shall save and hold harmless and indemnify the Division, the State of Delaware, their agents and employees against any and all liability arising out of the operations or performance of the work by the DCS, its agents or employees in connection with the Contract.
16. **Changes.** The Division may, from time to time, require changes in the scope and period of the services of the DCS to be performed under this Contract. Such changes, including any increase or decrease in the amount of the DCS's compensation which are mutually agreed upon in writing by and between the DCS and the State, shall be incorporated by written amendments to this Contract.

17. **Suspension of Collection Effort.** The DCS agrees to suspend action, either temporarily or permanently, on any account referred for collection upon written notification by the institution or agency concerned. In such cases, the DCS will be entitled to commission only on that portion of the placement for which it has made a collection. The DCS also agrees to suspend collection action permanently on any account that has been referred for Collection for more than 270 days in which no collections have been made for the previous ninety (90) days.
18. The DCS shall procure all permits and licenses required for the performance of services described herein and abide by all applicable laws, regulations, and ordinances the United States, all States, the State of Delaware, and political subdivisions in which work under this Contract is performed.
19. The DCS shall be liable for all taxes levied upon this Contract, the services delivered and payments made to DCS pursuant thereto.
20. Any notice or communication to be given pursuant to the terms of this Contract by either party to the other shall be sufficient if given in writing and personally delivered to the DCS Project Manager or the Division Contract Administrator, or mailed by registered mail, postage prepaid, return receipt requested to the address of the other party.
21. This Contract, together with Exhibit A attached hereto and made a part hereof, as well as any Purchase Order, constitutes the entire Agreement between the parties with respect to the subject matter. All prior agreements, representations, statements, negotiations, and undertakings are superceded hereby; but, to the extent such communications are consistent with the terms of the Contract, this Contract shall be interpreted in light thereof.
22. In the event that there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: Contract, RFP and Purchase Order. No other documents shall be considered. These documents contain the entire agreement between the State and DCS.
23. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.
24. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or

consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

25. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.
26. This Contract shall be governed by and construed in accordance with the statutes and laws of the State of Delaware, as such statutes and laws are applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.
27. Notwithstanding any other provision of the Contract requiring the liability of the State for the expenditure of money, whether by direct payment or covenant, if sufficient funds are not appropriated or special fund authorized by the Delaware Assembly or other appropriate federal or state agency to sustain, in whole or in part, the Division's performance under this Agreement, or if such appropriation is reduced such that its amount is insufficient to sustain said performance, this Contract shall be null and void at the written instance of the Director of Revenue.
28. This Contract shall not be effective until a Purchase Order reflecting this transaction is approved by the Secretary of Finance in accordance with the State's Accounting Manual. This Contract shall be effective only to the extent of the dollar amount reflected in such Purchase Order.
29. Severability: If the scope of any provision of this contract is too broad in any respect whatsoever to permit enforcement to its full extent or is deemed unenforceable for any reason, then such provision shall be enforced to the maximum extent permitted by the law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the who of such provision of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.
30. It is further agreed that DCS shall execute the Nondisclosure Agreement as attached hereto pursuant to both 30 Del. C. Section 368 and Section 7431 of the Federal Internal Revenue Code and all of its employees, agents, officers, vendors and other third parties it

engages in the performance of its duties herein shall also execute and/or be subject to and comply with such nondisclosure laws as stated above.

31. The parties further agreed hereto that pursuant to the terms of the Request for Proposal referenced herein, the Division may engage the services of other First Referral Collection Services entities to perform the same services as herein described. In such an event, the Division reserves the right to review the performance of every such First Referral Collection Service at the end of the first year of this Contract's term and shall have the right to not renew the contract of the First Referral Collection Service entity that has the lowest amount of collection revenues at the end of said period.

IN WITNESS WHEREOF, the Department Finance, Division of Revenue and the DCS have executed this Agreement as of the date first written above.

Date December 16, 2011

**Original on File**

Patrick T. Carter  
Director of Revenue

Attest: **Original on File**

Date December 7, 2011

**Original on File**

Lisa Ima, CEO  
Diversified Collection Services Inc.

Atte: **Original on File**

**CONTRACT FOR FIRST REFERRAL COLLECTION SERVICES**  
**NCO FINANCIAL SYSTEMS INC.**

This Agreement entered into this 1st day of January 2012, by and between NCO Financial Systems Inc. (hereinafter referred to as NCO), and the Department of Finance, Division of Revenue of the State of Delaware (hereinafter referred to as the "Division"), witnesseth that:

WHEREAS, the Division desires to engage NCO to render certain collections of first referral tax accounts receivables;

WHEREAS, the Secretary of Finance deems that the professional services herein contracted for are necessary and desirable in performance of the function of the Division of Revenue.

1. The Division hereby agrees to engage NCO and NCO agrees to perform the herein described services.
2. **Scope of Services.** NCO shall do, perform, and carry out, in a satisfactory and proper manner as determined by the Division of Revenue the services identified in Exhibit A of this Contract. The "Request for Proposal for First Referral Collection Services, " Proposal # 25-06-01-05-02 dated June 20, 2011 and NCO response to proposal, dated July 22, 2011, are hereby made part of this Contract and designated as Exhibit A. Sections I, II and III, of the "Request for Proposal" define the scope of services and all of Exhibit A, as well as the provisions of this Contract detail the performance specifications for collection on accounts.
3. **Personnel.** NCO represents that it has, or will secure, all personnel required in performing the services under this Contract.
4. **Time of Performance.** The Services of NCO are to commence as soon as practicable after the execution of this Contract and shall be undertaken and completed in such sequence as to assure their completion in compliance with the terms, conditions and purpose of this Contract.
- 5a. **Method of Remittance.** NCO agrees to satisfactorily perform all services requested according to the terms and conditions specified herein for the commission rates detailed in this contract. NCO agrees to remit all amounts collected under this Agreement on a weekly basis to the Division for the amounts collected during the prior weekly period.

Amounts collected by NCO shall be held in a special fund held in trust by the Division. A separate account shall be established and the Division may establish written requirements and /or procedures, which will become part of the contract, for the electronic transfer of such funds. NCO represents that it has, or will secure the functionality and processes necessary for the electronic transfer of funds and exchange of case data in accordance with any written requirement and/or procedures established by the Division.

5b. The Commission, as agreed upon, is as follows:

Commission	
Commission Rate	15.5% of amount collected
Litigation Rate	25% of amount collected

6. **Method of Payment.**

- (a) The Division will pay to NCO the amount set forth in paragraph 5b, which shall constitute full and complete payment and consideration for NCO services described herein. Such sum will be paid in the following manner but, in every case shall be subject to receipt of an invoice from NCO specifying, in a manner prescribed by the Division, that it has collected such amounts under this Contract in performance of the Contract.
- (b) The amounts due under paragraph 5b of this Contract shall not be paid until the collections on delinquent accounts have been received by the Division. In no event shall the commission due under paragraph 5b be withheld by NCO.
- (c) Commissions and payment of commissions will cease six (6) months after this Contract is terminated regardless of any installment plans in effect at that time except as provided for in Section 8.
- (d) The amounts due under paragraph 5b of this Contract shall be invoiced to the Division on a weekly basis.

7. **Termination of Contract for Cause.** If, through any cause, NCO shall fail to fulfill as set forth herein its obligations under this Contract, or if NCO shall violate any of the covenants, agreements, or stipulations of this Contract, the Division shall thereupon have the right to terminate this Contract after giving written notice to NCO. Such termination shall be effective immediately upon receipt of written notice. In that

event, all finished or unfinished documents, data studies, and all reports or other material prepared by NCO shall become the Division's property, and NCO shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. In such case, such property shall be delivered, at NCO's expense, to the Division within seven (7) days of the receipt of the notice of termination. The filing of a petition in bankruptcy or insolvency by or against NCO, shall terminate the contract. NOTWITHSTANDING THE ABOVE, NCO shall not be relieved of liability to the Division by virtue of any breach of the Contract by NCO, and the Division may withhold any payment to NCO for the purpose of set-off until such times as the exact amount of damages due the Division from NCO is determined.

8. **Termination for Convenience of the Division of Revenue.** The Division may terminate this Contract without cause at any time by giving written notice to NCO of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 7 above shall become its property and shall be delivered to the Division in accordance with said paragraph. NCO shall be entitled to receive 15.5% commission for any work completed on such documents and other materials.

Upon termination under this section, NCO shall notify DOR of any accounts with installment plans in effect at the time of termination. NCO may retain these installment plans for a period not to exceed 12 months from the effective date of termination. NCO shall return any account who fails to make a payment during a ninety (90) day period, and NCO shall not receive any fee in connection with such account.

9. **Assurances.** NCO hereby agrees that it will give the Division and/or the State Auditor, through any authorized representative of either, access to and the right to examine all records, workpapers, or documents related to the Contract and, during regular business hours from 8:00 a.m. through 5:00 p.m., to inspect the work being performed.
10. **Assignability.** NCO shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Division.

11. **Interest of NCO.** NCO covenants that it will take all precautions to be assured that it will employ no person in the performance of this Contract who has or acquires any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required to be performed under this Contract.
12. **Findings and Collection Confidentiality.** Any collection, reports, information, data, etc., given to or prepared or assembled by NCO under this Contract which the Division requests be kept confidential shall not be made available by NCO to any individual or organization without the prior written approval of the Division.
13. **Contract Period.** The Contract will be effective for a period of twelve (12) months beginning January 1, 2012 and ending December 31, 2012. By mutual agreement, this Contract may be renewed for four (4), successive one (1) year periods under the terms and conditions as spelled out in Section 1.2 of the Division's "Request for Proposal for First Referral Collection Services." All renewals in accordance with this Contract shall be agreed to in writing on or before December 31<sup>st</sup> of each successive year.
14. **Ethics.** NCO shall not, under any circumstances, use any threats, intimidation, or harassment in the collection process or violate the Fair Debt Collections Practices Act or any other Federal or State law, rule or regulation or guidelines established by either the Federal or State Government. NCO must be a member of the American Collectors Association and shall comply strictly with the code of ethics adopted by this organization.
15. **Indemnification and Relationship of Parties.** NCO shall be an independent Contractor, licensed and bonded, and solely responsible for the employment, acts and omissions, control, and direction of its employees. NCO shall save and hold harmless and indemnify the Division, the State of Delaware, their agents and employees against any and all liability arising out of the operations or performance of the work by NCO, its agents or employees in connection with the Contract.
16. **Changes.** The Division may, from time to time, require changes in the scope and period of the services of NCO to be performed under this Contract. Such changes, including any increase or decrease in the amount of NCO's compensation which are mutually agreed upon in writing by and between NCO and the State, shall be incorporated by written amendments to this Contract.

consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

25. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.
26. This Contract shall be governed by and construed in accordance with the statutes and laws of the State of Delaware, as such statutes and laws are applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.
27. Notwithstanding any other provision of the Contract requiring the liability of the State for the expenditure of money, whether by direct payment or covenant, if sufficient funds are not appropriated or special fund authorized by the Delaware Assembly or other appropriate federal or state agency to sustain, in whole or in part, the Division's performance under this Agreement, or if such appropriation is reduced such that its amount is insufficient to sustain said performance, this Contract shall be null and void at the written instance of the Director of Revenue.
28. This Contract shall not be effective until a Purchase Order reflecting this transaction is approved by the Secretary of Finance in accordance with the State's Accounting Manual. This Contract shall be effective only to the extent of the dollar amount reflected in such Purchase Order.
29. Severability: If the scope of any provision of this contract is too broad in any respect whatsoever to permit enforcement to its full extent or is deemed unenforceable for any reason, then such provision shall be enforced to the maximum extent permitted by the law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the who of such provision of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.
30. It is further agreed that NCO shall execute the Nondisclosure Agreement as attached hereto pursuant to both 30 Del. C. Section 368 and Section 7431 of the Federal Internal Revenue Code and all of its employees, agents, officers, vendors and other third parties it

engages in the performance of its duties herein shall also execute and/or be subject to and comply with such nondisclosure laws as stated above.

31. The parties further agreed hereto that pursuant to the terms of the Request for Proposal referenced herein, the Division may engage the services of other First Referral Collection Services entities to perform the same services as herein described. In such an event, the Division reserves the right to review the performance of every such First Referral Collection Service at the end of the first year of this Contract's term and shall have the right to not renew the contract of the First Referral Collection Service entity that has the lowest amount of collection revenues at the end of said period.

IN WITNESS WHEREOF, the Department Finance, Division of Revenue and NCO Financial systems Inc. have executed this Agreement as of the date first written above.

Date 1/4/12

*Original on File*

Patrick T. Carter  
Director of Revenue

Attest: *Original on File*

Date 1-3-12

*Original on File*

JOSHUA GINDIN  
NCO Financial Systems Inc

Attest: *Original on File*

**CONTRACT FOR FIRST REFERRAL COLLECTION SERVICES**  
**UNITED COLLECTION BUREAU, INC.**

This Agreement entered into this 1st day of January 2012, by and between the United Collection Bureau, Inc. (hereinafter referred to as the UCB), and the Department of Finance, Division of Revenue of the State of Delaware (hereinafter referred to as the "Division"), witnesseth that:

WHEREAS, the Division desires to engage the UCB to render certain collections of first referral tax accounts receivables;

WHEREAS, the Secretary of Finance deems that the professional services herein contracted for are necessary and desirable in performance of the function of the Division of Revenue.

1. The Division hereby agrees to engage the UCB and the UCB agrees to perform the herein described services.
2. **Scope of Services.** The UCB shall do, perform, and carry out, in a satisfactory and proper manner as determined by the Division of Revenue the services identified in Exhibit A of this Contract. The "Request for Proposal for First Referral Collection Services, " Proposal # 25-06-01-05-02 dated June 20, 2011 and the UCB response to proposal, dated July 20, 2011, are hereby made part of this Contract and designated as Exhibit A. Sections I, II and III, of the "Request for Proposal" define the scope of services and all of Exhibit A, as well as the provisions of this Contract detail the performance specifications for collection on accounts.
3. **Personnel.** The UCB represents that it has, or will secure, all personnel required in performing the services under this Contract.
4. **Time of Performance.** The Services of UCB are to commence as soon as practicable after the execution of this Contract and shall be undertaken and completed in such sequence as to assure their completion in compliance with the terms, conditions and purpose of this Contract.
- 5a. **Method of Remittance.** The UCB agrees to satisfactorily perform all services requested according to the terms and conditions specified herein for the commission rates detailed in this contract. UCB agrees to remit all amounts collected under this Agreement on a weekly basis to the Division for the amounts collected during the prior weekly period.

Amounts collected by UCB shall be held in a special fund held in trust by the Division. A separate account shall be established and the Division may establish written requirements and /or procedures, which will become part of the contract, for the electronic transfer of such funds. UCB represents that it has, or will secure the functionality and processes necessary for the electronic transfer of funds and exchange of case data in accordance with any written requirement and/or procedures established by the Division.

5b. The Commission, as agreed upon, is as follows:

Commission	
Commission Rate	15.5% of amount collected
Litigation Rate	25% of amount collected

6. Method of Payment.

(a) The Division will pay to the UCB the amount set forth in paragraph 5b, which shall constitute full and complete payment and consideration for the UCB services described herein. Such sum will be paid in the following manner but, in every case shall be subject to receipt of an invoice from UCB specifying, in a manner prescribed by the Division, that it has collected such amounts under this Contract in performance of the Contract.

(b) The amounts due under paragraph 5b of this Contract shall not be paid until the collections on delinquent accounts have been received by the Division. In no event shall the commission due under paragraph 5b be withheld by UCB.

(c) Commissions and payment of commissions will cease six (6) months after this Contract is terminated regardless of any installment plans in effect at that time except as provided for in Section 8.

(d) The amounts due under paragraph 5b of this Contract shall be invoiced to the Division on a weekly basis.

7. Termination of Contract for Cause. If, through any cause, the UCB shall fail to fulfill as set forth herein its obligations under this Contract, or if the UCB shall violate any of the covenants, agreements, or stipulations of this Contract, the Division shall thereupon have the right to terminate this Contract after giving written notice to the UCB..

Such termination shall be effective immediately upon receipt of written notice. In that

event, all finished or unfinished documents, data studies, and all reports or other material prepared by the UCB shall become the Division's property, and the UCB shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. In such case, such property shall be delivered, at UCB's expense, to the Division within seven (7) days of the receipt of the notice of termination. The filing of a petition in bankruptcy or insolvency by or against the UCB, shall terminate the contract. NOTWITHSTANDING THE ABOVE, the UCB shall not be relieved of liability to the Division by virtue of any breach of the Contract by the UCB, and the Division may withhold any payment to the UCB for the purpose of set-off until such times as the exact amount of damages due the Division from the UCB is determined.

8. Termination for Convenience of the Division of Revenue. The Division may terminate this Contract without cause at any time by giving written notice to the UCB of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 7 above shall become its property and shall be delivered to the Division in accordance with said paragraph. The UCB shall be entitled to receive 15.5% commission for any work completed on such documents and other materials.

Upon termination under this section, the UCB shall notify DOR of any accounts with installment plans in effect at the time of termination. UCB may retain these installment plans for a period not to exceed 12 months from the effective date of termination. UCB shall return any account who fails to make a payment during a ninety (90) day period, and UCB shall not receive any fee in connection with such account.

9. Assurances. The UCB hereby agrees that it will give the Division and/or the State Auditor, through any authorized representative of either, access to and the right to examine all records, workpapers, or documents related to the Contract and, during regular business hours from 8:00 a.m. through 5:00 p.m., to inspect the work being performed.
10. Assignability. The UCB shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Division.

11. **Interest of UCB.** The UCB covenants that it will take all precautions to be assured that it will employ no person in the performance of this Contract who has or acquires any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required to be performed under this Contract.
12. **Findings and Collection Confidentiality.** Any collection, reports, information, data, etc., given to or prepared or assembled by the UCB under this Contract which the Division requests be kept confidential shall not be made available by the UCB to any individual or organization without the prior written approval of the Division.
13. **Contract Period.** The Contract will be effective for a period of twelve (12) months beginning January 1, 2012 and ending December 31, 2012. By mutual agreement, this Contract may be renewed for four (4), successive one (1) year periods under the terms and conditions as spelled out in Section 1.2 of the Division's "Request for Proposal for First Referral Collection Services." All renewals in accordance with this Contract shall be agreed to in writing on or before December 31<sup>st</sup> of each successive year.
14. **Ethics.** The UCB shall not, under any circumstances, use any threats, intimidation, or harassment in the collection process or violate the Fair Debt Collections Practices Act or any other Federal or State law, rule or regulation or guidelines established by either the Federal or State Government. UCB must be a member of the American Collectors Association and shall comply strictly with the code of ethics adopted by this organization.
15. **Indemnification and Relationship of Parties.** UCB shall be an independent Contractor, licensed and bonded, and solely responsible for the employment, acts and omissions, control, and direction of its employees. The UCB shall save and hold harmless and indemnify the Division, the State of Delaware, their agents and employees against any and all liability arising out of the operations or performance of the work by the UCB, its agents or employees in connection with the Contract.
16. **Changes.** The Division may, from time to time, require changes in the scope and period of the services of the UCB to be performed under this Contract. Such changes, including any increase or decrease in the amount of the UCB's compensation which are mutually agreed upon in writing by and between the UCB and the State, shall be incorporated by written amendments to this Contract.

17. **Suspension of Collection Effort.** The UCB agrees to suspend action, either temporarily or permanently, on any account referred for collection upon written notification by the institution or agency concerned. In such cases, the UCB will be entitled to commission only on that portion of the placement for which it has made a collection. The UCB also agrees to suspend collection action permanently on any account that has been referred for Collection for more than 270 days in which no collections have been made for the previous ninety (90) days.
18. The UCB shall procure all permits and licenses required for the performance of services described herein and abide by all applicable laws, regulations, and ordinances the United States, all States, the State of Delaware, and political subdivisions in which work under this Contract is performed.
19. The UCB shall be liable for all taxes levied upon this Contract, the services delivered and payments made to UCB pursuant thereto.
20. Any notice or communication to be given pursuant to the terms of this Contract by either party to the other shall be sufficient if given in writing and personally delivered to the UCB Project Manager or the Division Contract Administrator, or mailed by registered mail, postage prepaid, return receipt requested to the address of the other party.
21. This Contract, together with Exhibit A attached hereto and made a part hereof, as well as any Purchase Order, constitutes the entire Agreement between the parties with respect to the subject matter. All prior agreements, representations, statements, negotiations, and undertakings are superceded hereby; but, to the extent such communications are consistent with the terms of the Contract, this Contract shall be interpreted in light thereof.
22. In the event that there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: Contract, RFP and Purchase Order. No other documents shall be considered. These documents contain the entire agreement between the State and UCB.
23. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.
24. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or

- consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
25. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.
  26. This Contract shall be governed by and construed in accordance with the statutes and laws of the State of Delaware, as such statutes and laws are applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.
  27. Notwithstanding any other provision of the Contract requiring the liability of the State for the expenditure of money, whether by direct payment or covenant, if sufficient funds are not appropriated or special fund authorized by the Delaware Assembly or other appropriate federal or state agency to sustain, in whole or in part, the Division's performance under this Agreement, or if such appropriation is reduced such that its amount is insufficient to sustain said performance, this Contract shall be null and void at the written instance of the Director of Revenue.
  28. This Contract shall not be effective until a Purchase Order reflecting this transaction is approved by the Secretary of Finance in accordance with the State's Accounting Manual. This Contract shall be effective only to the extent of the dollar amount reflected in such Purchase Order.
  29. Severability: If the scope of any provision of this contract is too broad in any respect whatsoever to permit enforcement to its full extent or is deemed unenforceable for any reason, then such provision shall be enforced to the maximum extent permitted by the law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the who of such provision of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.
  30. It is further agreed that UCB shall execute the Nondisclosure Agreement as attached hereto pursuant to both 30 Del. C. Section 368 and Section 7431 of the Federal Internal Revenue Code and all of its employees, agents, officers, vendors and other third parties it

engages in the performance of its duties herein shall also execute and/or be subject to and comply with such nondisclosure laws as stated above.

31. The parties further agreed hereto that pursuant to the terms of the Request for Proposal referenced herein, the Division may engage the services of other First Referral Collection Services entities to perform the same services as herein described. In such an event, the Division reserves the right to review the performance of every such First Referral Collection Service at the end of the first year of this Contract's term and shall have the right to not renew the contract of the First Referral Collection Service entity that has the lowest amount of collection revenues at the end of said period.

IN WITNESS WHEREOF, the Department Finance, Division of Revenue and the UCB have executed this Agreement as of the date first written above.

Date December 16, 2011

**Original on File**

**Original on File**  
Attest: \_\_\_\_\_

Patrick T. Carter  
Director of Revenue

Date 12/6/11

**Original on File**

**Original on File**  
Attest: \_\_\_\_\_

United Collection Bureau, Inc.