

AGREEMENT FOR SERVICES

This agreement ("**Agreement**") entered into as of _____, 2016 (the "**Effective Date**"), between the Township of West Orange, Essex County, a municipal subdivision of the State of New Jersey ("**Municipality**"), and ROK Industries, Inc. d/b/a NJTaxlieninvestor.com ("**Contractor**"), a New Jersey corporation located at 306 Harlingen Road, Belle Mead, New Jersey 08502, for Internet-based electronic processing of bid information related to the auction sale of Municipality's tax lien certificates ("**Tax Certificates**").

WHEREAS, the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "**DCA**") pursuant to N.J.S.A. 54-5-19.1(c) established an electronic tax sale pilot program as of February 15, 2011 (the "**Pilot Program**"), with certain pilot program requirements, practices and procedures developed by the DCA, all as more fully set forth on Attachment A;

WHEREAS, the DCA reserved the sole and exclusive right to approve and qualify each vendor of services under the Pilot Program based on the Pilot Program requirements, and Contractor has been approved and qualified as a vendor to market and conduct electronic auctions of Tax Certificates under the Pilot Program (see Attachment B);

WHEREAS, the DCA reserved the sole and exclusive right to approve each vendor's proposed electronic tax sale program platform ("**Approved Auction Platform**") based on the Pilot Program requirements, and Contractor's Approved Auction Platform, developed and operated by RealAuction.com LLC, a Florida limited liability company, located at 861 SW 78th Avenue, Suite 102, Plantation, Florida 33324 ("**Real Auction**") has been approved for use in conducting electronic auctions under the Pilot Program (see Attachment B); and

WHEREAS, Municipalities may apply to DCA for participation in the Pilot Program utilizing Contractor's services and the Approved Auction Platform to conduct the auction sale of its Tax Certificates, and Municipality has successfully applied to DCA to participate in the Pilot Program utilizing the services of Contractor and the Approved Auction Platform.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinabove and hereinafter set forth, the parties hereby agree as follows:

1. **Term of Agreement; Cancellation; Termination Upon Default.**

A. The term of this Agreement shall be one year from the above date, and the Agreement shall automatically renew for additional one year periods thereafter unless terminated. Either party may cancel this Agreement at any time, with or without cause, with thirty (30) days advance written notice to the other party. If Municipality cancels the Agreement within thirty (30) days of a scheduled auction, Municipality will pay Contractor its reasonable expenses for Services performed to date.

B. Termination for Default or Breach: This Agreement may be terminated by either party upon the failure of, or breach by, the other party to comply with any provision or requirement of this Agreement, provided that written notice of such failure or breach is given to the defaulting party and such failure or breach is not cured within thirty (30) days from the date of receipt of written notice. A party's decision not to take action upon failure of the other party to perform shall not be construed as a waiver of the ability of non-breaching party to take additional action at a later date and time.

2. Services to be Provided by Contractor.

A. The Contractor shall furnish Internet auction services as more particularly provided for in this Agreement (the "**Services**") for Tax Certificates for the Municipality.

B. The Contractor shall provide a host server (the "**Server**") for the Web Site. As used herein, the term "**Web Site**" shall mean an Internet web site that Contractor will make available to Municipality under this Agreement. The Web Site will utilize proprietary software, which is capable of accepting and processing competitive bids for Tax Certificates to be issued by Municipality. The Municipality acknowledges that the Contractor's Server may not be dedicated exclusively to the Web Site. The Contractor shall use commercially reasonable efforts to make the Web Site available during all regular business hours (8:30 a.m. to 5:30 p.m. EST) and shall not schedule planned maintenance downtime to occur during these regular business hours.

C. During each auction sale, the Contractor shall provide auction administrators ("**Auction Administrator(s)**") and technical support necessary to facilitate the Municipality's conduct of online auction sales of Tax Certificates.

D. Contractor will assist Municipality with the following:

- i. Auction set-up. Municipality is responsible to establish the auction start date, end date and batch size and other terms and business rules for the auction's administration and execution, including but not limited to management or retrieval of user registration information and auction results. Contractor shall, upon Municipality's request, consult concerning optimal terms and business rules or amending same to achieve Municipality's goals. Contractor shall set-up the Web Site to reflect Municipality's approved terms and business rules and conduct the auction in conformance therewith.
- ii. Granting and denying users and Municipality's employees various degrees of access privileges to the Web Site. Before any Municipality representative is given privileges to access the Web Site and its information, Municipality must provide Contractor with written authorization directing Contractor to give such employees such authority. Municipality is responsible for notifying Contractor in writing of the revocation of such authority due to the death, retirement, resignation, termination or reassignment of any Municipality employee.
- iii. Monitoring network performance while auction sales are in progress.
- iv. Providing reasonable technical support to resolve questions related to hardware, software or network problems encountered by the Municipality or third party users (i.e., participants in auctions, "**Bidders**").
- v. Providing telephone and on-site training sessions for Municipality personnel designated by the Municipality as having a thorough knowledge of the transactions to be consummated through the use of the Web Site at times to be mutually determined.

- vi. Providing personal and telephonic support during regular business hours for the handling of Bidder and Municipality questions relating to the general operation of the Web Site. On-site support may also be provided at the Municipality's request. Such on-site support shall be reasonable and at times mutually agreed upon by Municipality and Contractor.
- E. Contractor will include on the Web Site terms and conditions, with appropriate disclaimers, to which Bidders will be required to consent. Each party will have the right to reasonably approve the terms and conditions or disclaimers that are included within the Web Site.
- F. The Contractor may, in its sole discretion, provide additional ancillary services through the Web Site to Bidders that are intended to assist such Bidders in evaluating any or all of the Tax Certificates to be sold. Such ancillary services may include without limitation:
- i. Hyperlinks on the Web Site to third party sites that contain additional information about the delinquent accounts or properties that are the subject of the tax sale.
 - ii. Additional information about the delinquent accounts or properties that are the subject of the tax sale – i.e., information that is not provided by the Municipality as part of its tax sale.
 - iii. Analytical tools, such as search, sort, upload, download and other report customization features.
 - iv. If such ancillary services are offered by Contractor through the Web Site, Contractor may (in its sole discretion) elect to charge Bidders and/or auction participants for such services. If Contractor offers such services, Contractor shall disclose the fees associated with such services to Bidders and/or auction participants. The Municipality will not be charged any fees for such ancillary services, and shall not be entitled to any portion of the fees collected by Contractor or third parties in connection therewith.
- G. Contractor shall record and maintain records of all activity occurring on the Web Site, and shall retain these records for a period of five (5) years from the date of each auction.
- H. Contractor and Real Auction, and their respective owners, equity holders, and employees shall not participate as bidders in the sale or purchase of any Tax Certificates of Municipality conducted under this Pilot Program or that of any other municipality in the State of New Jersey conducted by them under the Pilot Program.
- I. Contractor shall ensure that the Web Site is capable of providing the following functions:
- i. Accepting, processing and displaying bid information and other

- data related to auctions of Tax Certificates.
- ii. Accepting, processing and maintaining an ID number and password from users before users enter any auction, which they may obtain free of charge by simply registering on the Web Site.
 - iii. Providing users with the means for reviewing the list of all Tax Certificates being offered for sale free of charge.
 - iv. Providing users with the means to bid and to withdraw bids on Tax Certificates prior to the conclusion of the tax sale.
 - v. A proxy bidding system, whereby a user will submit the minimum rate and/or maximum premium that he/she would be willing to receive for the applicable Tax Certificate. The Contractor's software will act on the Bidder's behalf, submitting only the maximum rate (or minimum premium) necessary to win the bidding for any given Tax Certificate, but in no event less than the minimum rate (or maximum premium) specified by the bidder. When the auction is over, Bidder will see only the higher of the minimum rate (or maximum premium) submitted by each Bidder or their winning bid.
 - vi. Allowing users to view auction sale results after they are approved for release by Municipality.
 - vii. Allowing Contractor's Auction Administrators and Municipality's internal auction administrators (the "**Municipality Auctioneers**") to observe auctions in progress and retrieve information immediately upon completion of each auction, and to release the final results of auctions so that they can be viewed by all users with authorized access to the Web Site.
 - viii. Enabling the Municipality Auctioneers, or the Contractor Auction Administrator at Municipality's direction, to establish and modify auction parameters; to modify registration information pertaining to a particular Bidder or Municipality user; and to limit or prohibit a user's access privileges to the site. Municipality will provide Contractor with the names of Municipality personnel who are permitted to access and/or authorize modifications. In the event Municipality directs Contractor to effect such modifications, Municipality will be required to give Contractor reasonable advance notice before such modifications are to go into effect.

3. Cooperation by Municipality. Notwithstanding any other provision herein, the Municipality shall:

A. Notify Contractor in writing of the actual date for each tax certificate sale to be conducted on the Web Site at least 60 days prior to such date, and provide Contractor with all information concerning the properties for which Tax Certificates are being offered at auction at least 30 days prior to the date of each auction.

B. Providing Contractor with the names, titles and contact information for all Municipality employees who will have decision-making authority of any kind in the auction process or access to the Contractor's Web Site, as well as the names and contact information of all Municipality employees who are responsible for processing Contractor's requests for payment and supporting documentation.

C. The Web Site shall bear Municipality's name and such other trade dress (e.g., logos, introductory statement from the Municipality etc.) as reasonably directed by the Municipality. The Municipality acknowledges and agrees that every page of the Web Site may display the Contractor's name and company logo.

D. Municipality will cooperate with Contractor to ensure that Contractor has access to and is provided with all the information it needs to effectuate the Tax Certificate auctions described in this Agreement and for preparation and delivery of the Contractor's requests for payment, including reasonable access to any IT systems and databases (whether owned, licensed or leased from a third party). The information provided will include the initial data load and timely updates of any Tax Certificates that have been redeemed, purchased or transferred.

4. Payment for Services.

A. The Contractor will be paid based upon invoices submitted to the Municipality by the Contractor after the completion of the auction sale in accordance with this Agreement.

B. In consideration of the Services set forth in this Agreement, Municipality shall pay (or cause to be paid) the following fees to Contractor in the manner described:

- i. \$15 per property listed on the initial list of properties provided by Municipality to Contractor.
- ii. Municipality will not be responsible for paying Contractor any other fees beyond those set forth above in clause (i) for a given auction sale, unless Municipality cancels this Agreement prior to the auction sale in which case Municipality will be responsible for paying Contractor its reasonable expenses for Services performed to date in accordance with the last sentence in Paragraph 1(A) above.

C. Following the conclusion of an auction sale, Contractor shall provide Municipality with an invoice, which shall be paid within thirty (30) days of the invoice date, and such invoices shall show the Contractor's Municipality Contract number, and the Contractor's federal identification number, in addition to any other information that may be reasonably required by the Municipality. Additionally, all requests for payment shall have attached a copy of the original bill, containing an original signature of an authorized representative of the Contractor. Requests for payment shall be submitted not more than once every thirty days, to an address, department and/or individual designated by the Municipality.

D. Unless otherwise provided on Contractor's invoice or other instructions that Contractor provides subsequent to the execution of this Agreement, payments shall be made to:

ROK Industries, Inc.
d/b/a NJTaxlieninvestor.com

Attn: Igor Roitburg
306 Harlingen Road
Belle Mead, New Jersey, 08502

E. Contractor shall not be obligated to provide any Services hereunder in the event Municipality is more than sixty (60) days delinquent in paying any invoices, provided, however, that Contractor has advised the Municipality Tax Collector in writing that it will cease performing services unless delinquent invoices are paid in full.

5. Limited Warranty; Disclaimer of Implied Warranties; Limitation of Liability; Consequential Damages or Incidental Damages.

A. Contractor warrants that the Web Site, when provided with accurate and properly formatted data by Municipality and Bidders, and when accessed by properly functioning software and equipment of Bidders, will perform substantially as required in order to facilitate Municipality's online auction sales of Tax Certificates. Contractor will, at no charge to Municipality, make corrections to the Web Site so that the Web Site performs substantially as agreed by Municipality and Contractor prior to the auction sale, and will use commercially reasonable efforts to make such corrections available within 36 hours of receiving notice of same, provided that Municipality reports to Contractor any failures or defects in the Web Site and provides Contractor with information sufficient to correct such failure or defect. In the event Contractor is not able to make such corrections available within 36 hours, the Contractor will confer with Municipality to advise Municipality with respect to the status of problem resolution and anticipated time of correction.

B. Except for the express limited warranty set forth in the preceding section of this Agreement, Contractor makes no warranty, representation, promise or guarantee, either express or implied, statutory or otherwise, with respect to the Web Site or the Services provided hereunder, including their quality, performance, merchantability or fitness for a particular purpose, or whether any of the transactions to be conducted using the Web Site comply with any applicable federal, state, municipality or other law or regulations. Contractor will have no responsibility for any actual or purported loss resulting from damages associated with the auction format selected by Municipality for any particular auction conducted on the Web Site or the Pilot Program. In no event will Contractor be liable for indirect, special, incidental, economic, cover, consequential, tort or other damages (including without limitation damages or costs relating to the loss of profits, business, goodwill, data or computer programs, even if advised of the possibility of such damages), without regard to the legal theory of such damages, arising out of the use of or inability to use the Web Site or the services provided hereunder. Except as provided in this paragraph, in no event will Contractor's liability to Municipality arising out of or related to this Agreement exceed the fees earned by Contractor under this Agreement during the twelve month period immediately preceding the date that the event giving rise to Contractor's liability occurred. Notwithstanding anything to the contrary contained herein, Contractor's liability to Municipality arising out of claims brought against Contractor under this Agreement will be no greater than \$100,000 in the aggregate.

C. Subject to the limitations set forth in Paragraph 5(B) above, Contractor agrees to defend, indemnify and hold harmless Municipality, including its officers, employees and agents, against all claims, damages and costs, including reasonable attorneys' fees, incurred in connection with any third party claims relating to Contractor's failure to perform under the Agreement.

6. Confidentiality; Proprietary Information.

A. The format in which Contractor stores data provided by Municipality will be proprietary to Contractor. Municipality's retrieval and use of the data compiled by Contractor on the Web Site shall be limited to Municipality's internal use only, and Municipality agrees that it will not, unless otherwise required by law, transmit to third parties, or permit other third parties to access the data in the format and compilation created by Contractor.

B. Municipality acknowledges that with respect to Bidders who provide minimum bids as part of the Web Site's proxy bidding feature, Contractor will be deemed the agent of such bidders in so far as Bidders have provided such minimum bids. Such minimum bids will be the confidential information of the Bidder, which Contractor will be required to maintain, and which Contractor will not release except as required by law.

C. Except upon prior written approval by the Municipality, the Contractor, or its subcontractors, shall not furnish or disclose to any person and/or organization, any non-public information that Municipality designates as confidential.

D. It is expressly understood and agreed that the software used to develop and operate the Web Site; any related materials and documentation provided by Contractor, the Approved Auction Platform, or any of their subcontractors, including without limitation information related to security or other technical aspects of the Web Site; and the non-public pages of the Web Site constitute a valuable proprietary product and trade secret of Contractor embodying substantial creative efforts and confidential information, ideas, and expressions (collectively for the purposes of this section "**Contractor's Confidential Information**"). Municipality agrees to hold all such Contractor's Confidential Information in strictest confidence and take such steps as are reasonably necessary to protect the confidentiality of the Contractor's Confidential Information and other materials designated by Contractor as confidential. Such steps shall include, without limitation, refraining from taking any action in derogation of Contractor's ownership rights and taking actions similar to those taken by Municipality with respect to protecting other third party confidential information in its possession. Municipality shall not disclose or otherwise make available the Contractor's Confidential Information in any form to any person except to those employees of Municipality or Contractor who have a need to know and need access to the information to facilitate Municipality's authorized use of the Web Site. Nothing herein shall be construed, however, to prohibit Municipality from making any disclosures required of Municipality pursuant to any legal process or request from any governmental authority having jurisdiction over Municipality, or from making disclosure required by New Jersey law, provided however that prior to disclosure to any such governmental authority, Municipality shall provide prior notice to Contractor in order to enable Contractor to seek protection of such confidential information or seek other relief, and provided,

further, that Municipality will only disclose the minimum amount of confidential information required. Contractor acknowledges that the Municipality is subject to the New Jersey Open Public Records Act ("**OPRA**"), N.J.S.A. 47:1A-1, et. al., and that the Municipality may receive demands for records related to this Agreement or related to the performance of this Agreement. Municipality agrees to provide notice to Contractor in the event that any such demand for records related to this Agreement or the performance of this Agreement is received by the Municipality. Contractor agrees to cooperate fully with Municipality in responding to any such request consistent with this provision of the Agreement. In the event that such a request results in any judicial or administrative proceeding under OPRA, Contractor agrees to cooperate fully with Municipality in litigating the proceeding.

E. Each party agrees to treat any information they receive that is submitted to the Web Site by Bidders, including without limitation, deposit amounts, social security numbers, federal tax identification numbers, etc., in accordance with applicable law and the "privacy policy" set forth in the related link on the Web Site. Contractor will not change the "privacy policy" without Municipality's consent, which will not be unreasonably withheld.

7. Limited Agency Created; No Third Party Beneficiaries Intended. For the limited purpose of providing auction sale services for the Tax Certificate auction and other services specifically described herein, Contractor shall be an agent of the Municipality and shall be required to take direction from the Municipality as to the mechanism and effectuation of the sale, except to the extent inconsistent with applicable law including but not limited to the rules, guidance or direction of the DCA. Other than with the respect to the handling of the tax sale auction and other services described herein, Contractor acknowledges that it does not have the authority to act on behalf of the Municipality or its agencies. Contractor's personnel shall not be employees of the Municipality. There are no intended third party beneficiaries, including without limitation any users of the Web Site described herein.

8. Force Majeure. Delay in performance or non-performance of any obligation contained herein shall be excused to the extent such failure or non-performance is caused by "force majeure" event. For purposes of this Agreement, a "force majeure" event shall mean any cause or agency preventing performance of an obligation which is beyond the control of either party hereto, including without limitation, fire, flood, sabotage, embargo, strike, explosion, labor trouble, accident, riot, acts of governmental authority (including, without limitation, acts based on laws or regulations now in existence as well as those enacted in the future), and delays or failure in obtaining raw materials or transportation, acts of God, telephone line outages, Internet traffic slowdowns (including any Internet transmission problems incurred by either Municipality's or Contractor's Internet service provider), down computer networks, down hardware, (head crashes, operating system hang-ups and the like), software or operating systems failure caused by a virus or other denial of service attack, and electricity outages. A party affected by a force majeure event shall, upon notice to it of the force majeure event, promptly notify the other party, explaining the nature and expected duration thereof, and shall act diligently to remedy the interruption or delay if it is reasonably capable of being remedied.

9. Entire Understanding; Amendments. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to its subject

matter and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of such parties, whether oral or written. This Agreement may only be amended by a separate document, signed by both parties.

10. Assignment. Contractor may only assign its rights hereunder, in whole or in part, to a wholly-owned subsidiary or an affiliate after receipt of written consent from the Municipality, which shall not be unreasonably withheld, following at least thirty (30) days' notice to Municipality prior to any such assignment. Notwithstanding the foregoing, Municipality acknowledges and agrees that Contractor may assign any of its rights or obligations hereunder to RealAuction.com without the consent of Municipality.

11. Governing Law; Venue. This Agreement shall be interpreted and construed in accordance with the laws of the State of New Jersey. The Contractor agrees that the notwithstanding the venue rules of the applicable court, venue for any and all claims between the parties arising from this Agreement shall be solely in the Superior Court of New Jersey, Essex Vicinage.

12. Severability. If this Agreement contains any provision found to be unlawful, the same shall be deemed to be of no effect and shall be deemed stricken from this Agreement without affecting the binding force of this Agreement as it shall remain after omitting such provision.

13. Counterparts. This Agreement may be executed in several counterparts, all of which taken together shall constitute one single agreement between the parties hereto. The parties may sign and deliver this Agreement or any amendment thereto by facsimile transmission or email of a PDF document. Each party agrees that the delivery of the Agreement or any amendment thereto by facsimile or email of a PDF document shall have the same force and effect as delivery of original signatures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives as of the Effective Date.

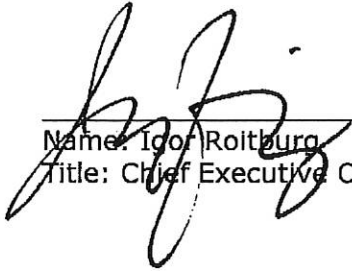
For Municipality: Township of West Orange, Essex County

Name: _____

Title: _____

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Additional signature page follows.]*

For Contractor: ROK Industries, Inc. d/b/a NJTaxlieninvestor.com



Name: Igor Roitburg
Title: Chief Executive Officer

For Approved Auction Platform: RealAuction.com LLC



Name: Lloyd E. McClendon III
Title: Managing Member

Attachment A

[DCA Electronic Tax Sale Pilot Program Requirements]

N.J. Division of Local Government Services ELECTRONIC TAX SALE PILOT PROGRAM

Pursuant to N.J.S.A. 54:5-19.1(c)

February, 2011

Authority for Pilot Program

N.J.S.A. 54:5-19.1 authorizes municipalities to conduct electronic tax sales subject to rules and regulations to be promulgated by the Director of Local Government Services (Director).

N.J.S.A. 54:5-19.1(c) provides that the Director may authorize electronic tax sale pilot programs (Pilot Program) prior to the promulgation of said rules and regulations. As of February 1, 2011, no rules or regulations have been passed. Accordingly, the Director is prepared to authorize municipalities to participate in Pilot Programs subject to the terms and conditions below. This document may be modified from time to time and DLGS reserves the right to modify or cancel the program if immediate problems are evident.

Eligibility

Municipality Eligibility

All municipalities shall be eligible to participate in a Pilot Program. Municipalities interested in participating in a Pilot Program, shall complete and submit the attached application (Application) to the Director. The governing body of the municipality shall approve the Application by passing a resolution authorizing submission of the Application.

The Director shall review the Application and advise the municipality whether its Application has been approved within 45 days of the Director's receipt of the Application. Upon the Director's approval, the municipality shall be permitted to participate in the Pilot Program.

Vendor Eligibility

Any third-party vendor must demonstrate that it has experience providing tax lien-related services in the State of New Jersey and must qualify as a "nationally recognized electronic municipal tax lien service" as provided in N.J.S.A. 54:5-19.1(a). A vendor shall be deemed to be a "nationally recognized municipal tax lien service" if it has conducted Internet website based, electronic tax sales in at least two (2) states or has conducted electronic tax sales in the past two (2) years which included bidders from more than one state.

Prior to submitting its Application to the Director, the municipality shall arrange for and provide a demonstration of the proposed electronic tax sale program to the Director. The Director shall determine, on a case-by-case basis, whether such proposed tax sale program is, in the Director's sole discretion, acceptable and, at a minimum, consistent with the Pilot Program Requirements set forth herein. The Director shall also determine whether such proposed program is consistent with the goals of the enabling legislation and the Director's ultimate promulgation of the rules and regulations to be adopted. Once a vendor's system has been approved, the vendor is authorized to enroll other municipalities for the duration of the Pilot Program.

Prior to a municipality's first electronic tax sale under this Pilot Program, either the municipality or vendor shall provide the agreement between the municipality and the vendor to the Director no later than thirty (30) days prior to the date that the tax sale is first advertised so that the

Electronic Tax Lien Sale Pilot Program

Director may ensure that tax sale will be conducted in a manner consistent with the Pilot Program Requirements.

Once initially designated, the vendor shall notify the Director of any non-trivial functional, operational, or security related changes to its system. Within 30 days of such notice, the Director shall affirm the designation or shall require further review with the vendor.

Notwithstanding anything to the contrary in Local Public Contracts Law, if a vendor's system has been so approved and no other electronic tax sale system has been approved, the municipality may, during the pilot program, contract with such vendor by informal quotation and without public bid. This does not eliminate the requirement of the municipality to comply with the provisions of N.J.S.A. 19:44A-20.4 et seq. regarding political contribution disclosure.

Pilot Program Requirements

All electronic tax sale systems shall meet the following minimum requirements:

- **Notice of Tax Sale**
 - The Tax Collector shall continue to prepare the tax sale notice required pursuant to N.J.S.A. 54:5-25.
 - Newspaper Advertisement to reflect internet-based sale
 - In lieu of the requirement in N.J.S.A. 54:5-26 to publish in a newspaper the notice of the tax sale, the Tax Collector may publish a notice that provides the website address where the notice of tax sale may be viewed.
 - The printed notice shall include the full website name and link for the full online tax sale notice and the website for registration.
 - The ad shall be a display (not legal) advertisement, a minimum of 2"x3", with a bold black border (Advertisement).
 - It shall include a statement that the municipality is announcing the sale of delinquent taxes and the sale shall be held through an online auction and that the listing of all parcels and delinquencies and costs are posted online and can be viewed at no cost.
 - The Advertisement shall be published once a week for four weeks prior to the week of the sale in a newspaper circulating in the municipality.
 - Access to the tax sale list shall be available to the public and shall not require registration, membership, or payment of any kind to view. The website shall have a clear explanation of this requirement.
 - Municipalities shall also continue to provide access to and/or copies of the tax sale list at their office.
- **Mailing of Tax Sale Notice:**
 - Notwithstanding anything to the contrary, the Tax Collector shall mail the tax sale notice no less than 3 times during the four week period prior to the week of the tax sale to the property owner and to any person or entity entitled to notice of foreclosure pursuant to section 20 of P.L. 1948, c.96 (C.54:5-104.48). Said notice of tax sale may be given by regular or certified mail, the costs of which shall be added to the cost of

February, 2011

Page 2

Electronic Tax Lien Sale Pilot Program

the sale in addition to those provided in R.S. 54:5-38, not to exceed \$25 for each notice for a particular property. Such mailings shall not be in lieu of the Advertisement, but shall be in addition to such Advertisements.

- Costs for holding an electronic tax sale
 - The vendor's fee for conducting the electronic tax sale shall not exceed the fee collected by the Tax Collector under N.J.S.A. 54:5-38. The only fees charged by the vendor shall be to the municipality; there shall be no fees charged to the lien buyer.
 - Except as otherwise specifically provided in the Tax Sale Law, the Tax Collector shall not collect any additional fees for the cost of sale.
- Commencement of Sale
 - Bidding shall open upon the first publication of the advertisement
- Deposits
 - In order for any bidder to win a bid, the bidder will be required to post a forfeitable deposit equal to 10% of the total lien amount that a bidder may win. Notwithstanding the foregoing, to facilitate bidding the Tax Collector may set a cap on the deposit amount (not less than \$10,000) and permit any bidder depositing the cap amount to win any and all liens on which the bidder places a bid.
 - Bidder deposits must be posted at least one day prior to the sale
 - Deposits may be held by the municipality or the vendor. If the vendor holds the funds:
 - The vendor must have an SAS 70 internal control audit report performed within 12 months of the sale. A copy of the report shall be made available to the municipality prior to executing a contract with the vendor.
 - The vendor shall provide a surety bond in the amount of 2% of the total amount of the original sale.
 - The bidder deposit account must be in the name of the municipality.
 - If a bidder shall fail to make payment on a lien certificate that such bidder has won upon conclusion of the sale, the deposit amount representing 10% of the lien certificate not paid shall be forfeited to the municipality.
 - Any unused portion of the deposit will be promptly returned to the bidder after the conclusion of the sale at the direction of the Tax Collector.
- Website capability
 - Bidder Registration
 - Bidder registration shall be online and completed prior to start of the sale.
 - Bidder information sheets, W-9s, etc. shall all be obtained online and submitted to the Tax Collector.

Electronic Tax Lien Sale Pilot Program

- The Tax Collector may, in its discretion, provide for registration at the municipality's office (subject to time deadlines set by the municipality).
 - Winning bid results are to be displayed immediately upon completion of the auction. All winning bidders to be notified by email at their registered email addresses.
 - The Tax Collector shall have the ability to remove and update the tax sale list in real-time.
 - The Tax Collector shall be able to review a detailed history of all funds transferred.
 - The Tax Collector shall be able to view a transaction log of all bid submissions and results.
 - Any vendor system must provide for the electronic transfer of information/data from and to the municipality.
- No bulk sales
 - Liens will be auctioned individually – i.e., a bid will be placed on each lien with a winning bidder determined for each lien.
- Payments
 - The Tax Collector will be able to accept and process payments through any of the following methods:
 - ACH Transfers
 - Bank Wire Transfers
 - Certified Check or Cash
 - Payment must be made within 24 hours after the bidding is closed (see below for details on ACH Transfers).
 - ACH Transfers
 - ACH Transfers must be initiated within 24 hours after the bidding is closed.
 - ACH Transfers must be settled no later than the 4th business day after bidding has closed.
 - Failure to Receive Payment / Liens Re-Sold
 - If the funds for any tax lien certificate are not settled by the 4th business day after bidding has closed, such lien will be resold on the 7th business day after the date on which the bidding closed.
 - The vendor shall notify all bidders of any properties that are available for bidding due to non-payment.
 - If a parcel is resold, interest shall be recalculated to the date of the new sale date.
- Reporting of Tax Sale
 - Upon entering into a contract with the vendor, the Municipality shall file a statement with the Director indicating the date of the sale, approximate number of

February, 2011

Page 4

Electronic Tax Lien Sale Pilot Program

- line items, weblink to the auction site, and the agreed upon fee (subject to the limits herein) for the conduct of the sale.
- After the sale, the tax collector and vendor shall provide a "post-sale report" detailing the results of the auction (contents to be determined by DLGS).
- The Vendor shall provide the Director access to online reports of the sale.
- Support and Training for:
 - Tax Collectors
 - Live on site training sessions for Tax Collectors will be available.
 - During the sale, a dedicated telephone hotline will be provided and available for Tax Collectors to use until the sale has been completed. The hotline will be available 24/7.
 - Bidders
 - Web-site based training classes will be available for bidders.
 - Toll-free lines will be available for support.
 - Email support will be provided.
 - The site will contain detailed instructions on how to use the site as well as online tutorials.
 - Practice auctions will be made available for bidders to use prior to the sale.
- Systems/Network Administration Security
 - Vendor website and system must be certified free of all vulnerabilities that can be remotely scanned as listed on the SANS/FBI Top Twenty vulnerabilities list.
 - Storage and transmission of financial and personal identification, information shall be encrypted.
 - Any vendor system shall be hosted on dedicated servers unless otherwise approved by DLGS.
 - All information, bids, participant financial data, etc. is deemed the property of the municipality.

February, 2011

Page 5

Attachment B

**[DCA Approval of Contractor for Pilot Program
&
DCA Approval of Auction Platform for Pilot Program]**



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Acting Governor

LORI GILFA
Commissioner

June 24, 2011

Mr. Igor Roitburg
NJTaxlieninvestor.com
306 Harlingen Road
Belle Mead, New Jersey 08502

Re: Vendor Approval: New Jersey Electronic Tax Sale Pilot Program

Dear Mr. Roitburg:

Thank you for your interest in participating in the pilot program for the electronic sale of municipal tax liens as established pursuant to N.J.S.A. 54:5-19.1(c). As you know, the program requirements for the pilot program (Pilot Program Requirements) adopted by the Director of Local Government Services (Division) require that before any municipality may submit an application to conduct an electronic tax sale, the Division must first review the qualifications of the proposed vendor and approve that proposed vendor's electronic tax sale program.

This letter will confirm that NJTaxLieninvestor.com has demonstrated that it has experience providing tax lien-related services in the State of New Jersey, and its partner platform for managing auctions qualifies it as a "nationally recognized electronic municipal tax lien service" and thus is qualified to conduct electronic tax sales on behalf of New Jersey municipalities. This was also shown by the demonstration of the system and its capabilities on May 24, 2011.

We have determined that your system is consistent with the Pilot Program Requirements. Pursuant to the Pilot Program Requirements, individual municipalities may now make application to the Division to participate in the electronic tax sale pilot program using the NJTaxlieninvestor.com service.

Please do not hesitate to contact this office if you have any questions or need additional information.

Sincerely,

Marc H. Pfeiffer, Deputy Director
for Thomas H. Neff, Director
Division of Local Government Services

c: Thomas H. Neff, Director
Patricia Turin, Senior Tax Collection Specialist



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