

**A RESOLUTION AWARDING THE CONTRACT FOR SALES TAX
REALLOCATION AUDIT TO ROBERT S. SEGAL, CPA PA
Resolution No. 15/2007-08**

BE IT RESOLVED by the Board of Aldermen that a contract is awarded for the following:

Robert S. Segal, CPA, PA for the sales tax reallocation audit.



ROBERT S. SEGAL, CPA PA

EXPENSE REDUCTION & REVENUE ENHANCEMENT

1912 EASTCHESTER DRIVE
SUITE 206
HIGH POINT, NC 27265
336-886-2100
FAX 336-886-2101
www.segalcpa.com

LETTER OF AGREEMENT

Robert S. Segal, CPA, PA ("SEGAL") and Orange County, Town of Chapel Hill, Town of Hillsborough and Town of Carrboro (together referred to as "CLIENT") hereby enter into this Letter of Agreement whereby SEGAL shall serve as a consultant to CLIENT to examine and analyze the following revenue of CLIENT for the purpose of obtaining any tax refunds available in all prior years still open under the statute of limitations.

North Carolina Sales/Use Tax Reallocation

The Client agrees that the above listed revenue is not currently under tax refund evaluation by CLIENT and all refunds received will be eligible for full payment of fees to SEGAL at the contract rate stipulated below.

SEGAL will furnish CLIENT with a written report as to sales/use tax refunds discovered. SEGAL will then prepare the respective refund claims to achieve the refunds.

CLIENT agrees to pay SEGAL a fee in accordance with the following FEE SCHEDULE due to Segal's amending of refund returns upon the CLIENT'S receipt of documentation from the North Carolina Department of Revenue evidencing the additional sales/use tax revenue being transferred to the CLIENT.

FEE SCHEDULE

A sliding scale based on the sales and use tax adjustment based on point of delivery as follows:

- 15.0% for the first \$200,000 of additional refunds obtained,
- 20.0% for the next \$200,000 of additional refunds obtained,
- 25.0% for the next \$200,000 of additional refunds obtained,
- 30.0% for all additional refunds obtained.

CLIENT agrees that SEGAL shall invoice each entity (Orange County, Town of Chapel Hill and Town of Hillsborough) for its pro-rata share of the fee based upon its percentage of that quarter's sales and use tax distribution from the state of North Carolina.

SEGAL AGREES TO MAINTAIN IN STRICT CONFIDENCE ALL INFORMATION RECEIVED FROM CLIENT CONCERNING ITS EXPENSES AND METHODS OF DOING BUSINESS. FURTHERMORE, SEGAL ACTS AS A CONSULTANT ONLY AND DOES NOT RECEIVE ANY COMMISSIONS OR REMUNERATION OF ANY KIND FROM ANY VENDORS OR SERVICE PROVIDERS.

ROBERT S. SEGAL, CPA PA has contracted with DIXON HUGHES PLLC to assist with this project.

The persons signing below are authorized to do so on behalf of their respective organizations.

This Letter of Agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

This Letter of Agreement is entered into effective as of the ____ day of _____, _____.

ORANGE COUNTY

[SEAL]

Name, Title

ATTEST:

Clerk to the Board

This instrument has been pre-audited
In the manner required by the Local
Government Budget and Fiscal
Control Act.

Approved as to form:

County Finance Officer

County Attorney

TOWN OF CHAPEL HILL

[SEAL]

Name, Title

ATTEST:

Clerk to the Board

This instrument has been pre-audited
In the manner required by the Local
Government Budget and Fiscal
Control Act.

Approved as to form:

Town Finance Officer

Town Attorney

TOWN OF HILLSBOROUGH

[SEAL]

Name, Title

ATTEST:

Clerk to the Board

This instrument has been pre-audited
In the manner required by the Local
Government Budget and Fiscal
Control Act.

Approved as to form:

Town Finance Officer

Town Attorney

TOWN OF CARRBORO

[SEAL]

Name, Title

ATTEST:

Clerk to the Board

This instrument has been pre-audited
In the manner required by the Local
Government Budget and Fiscal
Control Act.

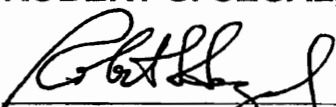
Approved as to form:

Town Finance Officer

Town Attorney

ROBERT S. SEGAL, CPA PA

[SEAL]



Robert S. Segal, President

ATTEST:



Corporation Secretary

Robert S. Segal, CPA PA

Client: Orange County
 Services: Sales Tax Reallocation

This is the net amount of the benefit (amount of the sales tax adjustment minus the fee).

Invoice date>>	8/23/2004	1/17/2005	2/21/2005	10/24/2005	2/27/2006	3/27/2006	8/17/2006	1/19/2007	Total
Orange County	8,027.57	15,103.74	8,933.45	19,686.11	117,567.87	132,276.08	1,074.27	10,980.46	313,649.55
Carboro	1,170.49	2,197.20	1,299.58	2,872.07	17,152.38	19,298.21	156.73	1,658.26	45,804.93
Chapel Hill	3,261.48	6,177.14	3,653.61	8,126.53	48,532.65	54,604.27	443.46	4,524.10	129,323.25
Durham	2.95	5.50	3.25	7.16	42.76	48.11	0.39	4.23	114.36
Hillsborough	371.06	692.33	409.50	922.91	5,511.74	6,201.28	50.36	554.64	14,713.82
Mebane	47.73	92.34	54.61	121.41	725.05	815.76	6.63	68.77	1,932.29
Net benefit	12,881.28	24,268.25	14,354.00	31,736.20	189,532.45	213,243.71	1,731.84	17,790.46	505,538.20

Please note that Durham and Mebane received a small benefit from the reallocation, but they were not billed their pro-rata share of the fee.