

# **COLLECTION AGENCY AGREEMENT**

This Agreement entered into on June 23, 2015 between City of Coalinga Fire Department ("Company") and, ACCLAIM CREDIT TECHNOLOGIES ("Agency").

The Company and Agency agree as follows:

## **I. ASSIGNMENT OF ACCOUNTS, COLLECTION DUTIES, LITIGATION,**

### **A. ASSIGNMENT OF ACCOUNTS**

The accounts are assigned to the Agency for the sole purpose of collecting outstanding amounts and all right title and interest to the account have been assigned to the Agency.

### **B. DUTY TO COLLECT FULL CONTRACT AMOUNT, LITIGATION OF ASSIGNED ACCOUNTS, INTEREST**

1. Full Contract Amount. For each account assigned to it, the Agency shall use its best effort to collect the full amount of the debtor's obligation to the Company as allowed under the terms and conditions of the Company agreement.

2. Litigation of Assigned Accounts. The Agency may not commence civil litigation on any account assigned to the Agency by the Company without first obtaining approval by Company. Agency agrees to front reasonable court costs in most cases. Agency reserves the right of determination of law suits filed. Payments shall be applied to court costs first, followed by principal, attorney fees, and interest last.

If Agency has received authorization to commence litigation, and Company later decides to cancel said account, for any reason whatsoever, Company agrees to reimburse Agency for all expenses incurred, including, but not limited to, filing fees, other court costs, cost of process service and other expenses directly associated with suit.

3. Interest. Agency charges interest to debtor from date of notification from Client that Client has charged-off the account and has requested Agency's collection services with respect thereto, and will keep interest accrued from debtor after that date. Interest payments are posted in accordance with paragraph I.(B)(2).

### **C. WITHDRAWAL OF ASSIGNED ACCOUNTS**

The Company may withdraw any account assigned to the Agency at any time for any reason.

When the Agency receives notice that the Company has withdrawn an account, the Agency shall immediately cease all collection efforts (including any communication with the customer). The Company shall not owe the Agency any fee or charge of any kind because of the withdrawal of an account under this Paragraph except in the case of an account in some phase of litigation. If an account is withdrawn that is in the process of litigation, Agency shall be reimbursed for all legal expenses, including, but not limited to, filing fees, court costs, process service fees and attorney fees.

If an account is withdrawn while Agency is collecting on the account or is withdrawn after a method of collection has been identified by the Agency and communicated to the Customer, the Company shall owe the Agency; the actual costs incurred by the Agency including but not limited to attorney fees, court costs, costs of levies and process server fees.

## **II. COLLECTION DEPOSITS TO TRUST ACCOUNT, PAYMENTS, UNPAID CUSTOMER CHECKS, EXPENSES AND FEES**

### **A. COLLECTION DEPOSITS TO TRUST ACCOUNT**

The Agency shall deposit all collection funds received by the Agency on accounts assigned to it by the Company within two business days after receipt in a trust account established for the benefit of the Company's accounts.

### **B. PAYMENTS**

#### **1. Payments**

All activity during any calendar month will be summarized in a statement created by Agency during the first week of the following month. Agency shall send payment for the net amount due Company, according to the commission schedule outlined in Exhibit A and in accordance with paragraph I. (B)(2).

In the event Company receives a larger portion of the payments directly at their office, Company may owe Agency. In this event, Agency will include an invoice with a statement showing the amount due from Company.

## 2. Payments Made Directly to Company by Customer

The Company shall report to the Agency all payments made to the Company by each customer whose account is assigned to the Agency. The Company shall make its report to Agency once each week.

## 3. Returned Checks

If any customer's check is returned unpaid after the Agency sent the Company a payment that included the returned check and listed the amount as a collection, then the Agency shall make an appropriate adjustment to the next payment to the Company and notate the account.

If (i) a customer sends a check directly to the Company, (ii) the Company pays the amount of the check to the Agency and (iii) the check is later returned unpaid, then the Agency shall reimburse the Company for the amount of the check on their next scheduled statement date.

## **C. COLLECTION EXPENSE**

The Company is not liable to the Agency for any costs or expenses incurred by the Agency in collecting an assigned account. All such costs and expenses shall be borne solely by the Agency and shall not be deducted from payments made to the Company.

## **D. FEES**

The Agency shall receive collection fees calculated in accordance with the collection fee schedule set forth in Exhibit A. These fees shall be itemized at the time of remittance of payments to the Company. The Agency shall remit net collections calculated in accordance with the collection fee schedule and paragraph I.(B)(2).

The parties understand and agree that once an account is placed with Acclaim Credit Technologies for collection, a commission is earned under this agreement regardless of the source of the payment received or regardless of which party, Acclaim Credit Technologies or its assignee receives the payment. The payment received will be reported according the terms and conditions of this agreement so that the commission can be calculated and paid.

Not every account that is referred to our attorney will end with a judgment. Anywhere along the process, the debtor might pay as a direct result of our attorney's involvement in the collection process. For purpose of clarification regarding the higher legal commission rate defined in Exhibit A, an account is

coded as legal, and is subject to the higher commission rate at the time it is referred to our attorney.

### **III. INDEMNITIES**

The Agency shall hold harmless, defend, and indemnify the Company against any and all claims, damages, costs or expenses (including attorney's fees), arising out of any action or omission of the Agency including, without limitation, the Agency's failure to comply with applicable laws or regulations or with the terms and conditions of this Agreement.

The Company shall hold harmless, defend, and indemnify the Agency against any and all claims, damages, costs or expenses (including attorney's fees), arising out of any action or omission of the Company including, without limitation, the Company's failure to comply with applicable laws or regulations or with the terms and conditions of this Agreement.

### **IV. TERM AND TERMINATION**

#### **A. TERM**

This agreement shall continue in force until it is terminated.

#### **B. DISCRETIONARY TERMINATION**

The Company or the Agency may terminate this Agreement upon thirty days prior written notice.

#### **C. OTHER OBLIGATIONS**

Termination of this Agreement by either party shall not affect any obligation owed by either party to the other at the time of termination

### **V. GENERAL**

#### **A. NOTICES**

When the terms of this Agreement require or permit that notice be sent or delivered by one party to the other, notice may be sent or delivered to the address identified in the signature space below.

#### **B. STATUS OF THE AGENCY**

The Agency shall perform its duties under this Agreement as an independent contractor.

#### **C. PRIOR AGREEMENTS AND MODIFICATION OF THIS AGREEMENT**

This Agreement supersedes and cancels all prior agreements between the Company and the Agency. It governs and applies to all accounts assigned to the Agency whether assigned before or after the date of this Agreement. This agreement shall only be modified by a writing signed by both parties.

#### **D. PARAGRAPH HEADINGS**

The paragraph headings of this Agreement are for convenience only and shall be ignored in determining the rights and obligations of the parties to this Agreement.

#### **E. SUCCESSORS AND ASSIGNS**

This Agreement binds the Agency and the Company and their respective heirs, representatives, successors, agents, and employees.

#### **F. ASSIGNMENT**

The Agency may not assign any right or duty under this Agreement without the express written advance consent of the Company.

#### **G. SEVERABILITY**

If any provision of this Agreement is determined to be invalid or unenforceable, that determination shall not affect the validity or enforceability, of any other provision of this Agreement.

#### **H. WAIVERS**

Any waiver of any term or right of the Company under this Agreement on any occasion shall not be deemed a continuing waiver or a waiver of any other term or right, unless a written waiver is signed by both the Company and the Agency expressing such an intention.

#### **I. SOLE AGREEMENT**

This Agreement, including its exhibits and schedules, constitutes the entire agreement of the Company and the Agency, and supersedes all oral negotiations or prior writings.

#### **J. CHANGES AND AMENDMENTS**

This Agreement may be changed by the Company as set forth in Paragraph C above. All other amendments must be in writing signed by both the Company and the Agency.

**K. GOVERNING LAW**

This Agreement shall be governed by California law.

IN WITNESS WHEREOF, the Company and the Agency have executed this Agreement as of \_\_\_\_\_ 20\_\_\_\_.

**COLLECTION AGENCY**

Acclaim Credit Technologies  
227 N West Street  
Visalia, CA 93291  
(559) 741-7111

By: *Samantha Mendoza*

Samantha Mendoza  
Marketing Representative

Tax ID: 77-0534212

**COMPANY**

City of Coalinga Fire Department  
300 W. Elm  
Coalinga, CA 93210  
(559) 935-1652

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Tax ID: \_\_\_\_\_

## **EXHIBIT "A"**

### **FEE SCHEDULE**

#### **I. EFFECTIVE DATE**

This schedule is effective on: June 23, 2015

#### **II. COLLECTION FEES**

Collection fees shall be a percentage of the collections paid to the Company. The fee for each type of account placement is as follows:

First assignments (Accounts not previously placed with another collection agency)	32%
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First assignments requiring suit or forwarding	44%
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