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2016 HIGHWAY 75, SUITE 6
BLOUNTVILLE, TN 37617
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COLLECTION SERVICE AGREEMENT

This Agreement is entered this 12th day of August 2024 between CBC, LLC (Agency) and City of Crossville (Client).

WITNESSETH

Agency is duly licensed as a collection agency in the state of (Tennessee) and Client desires to have agency provide certain collection services pursuant to this Agreement (Collection Services), and Agency desires to provide the Client with Collection Services pursuant to this Agreement,

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

TERMS

This Agreement will have a term of One (1) year from the date of execution and will automatically be renewed for additional one (1) year terms until otherwise terminated by either party with ninety (90) days written notice in advance of any automatic renewal.

AGENCY SERVICES

On the terms and subject to the terms and conditions of this Agreement, Agency agrees to provide Client with:

1. Full and complete debt collection service to include, but not limited to pre-collection letters, collection letters, text messages, emails, ringless voicemails, and telephone collection campaigns and litigation proceedings. Litigation is expressly subject to prior approval by the City of Crossville and the City Attorney.
2. Full and regular management reports relative to total placement of accounts as well as results of collection activity. These reports shall be remitted on a monthly basis.
3. Remit to Client the amount collected on a regular, timely, and monthly basis.

CLIENT RESPONSIBILITY

On the terms and subject to the terms and conditions of this Agreement, Client agrees to provide Agency with:

1. Accounts deemed due and owed by Client.
2. Provide the data elements required to substantiate the debt provided in EXHIBIT A
3. Provide list of payments on accounts turned over to the Agency that is paid directly to the Client.
4. Provide a completed Client Questionnaire in the form of EXHIBIT B prior to any collection services by AGENCY.
5. Provide a complete list of Client Service Locations in the form of EXHIBIT C prior to any collection services by AGENCY.
6. It is industry standard to allow up to 20% discount- client permits CBC to offer and accept discount per account up to 20%. Alternative % must be agreed to by both parties in writing.
7. Provide reporting of payments, notification of deceased guarantors, and notification of bankruptcy filings on accounts placed with Agency within 3 days of receipt by Client.

AGENCY FEES

Client agrees to pay Agency, in consideration for Collection Services a fee equal to:

1. The agreed commission rate schedule is set forth on EXHIBIT D.
2. Any account placed with CBC for 5 days or longer will be charged applicable commission if paid, settled, withdrawn, recalled, or cancelled for whatever reason.
3. Any cancellation requested on a legal account will be charged the legal rate and any cost (court cost, attorney, etc.) incurred to that point by CBC.
4. Other Collections Services desired will be at a fee to be mutually agreed upon by Agency and Client.

REPRESENTATION AND WARRANTIES OF THE AGENCY

Agency hereby represents and warrants to Client as follows:

1. Agency will conduct its operation to strict compliance with the Fair Debt Collection Practices Act as annotated and will observe all relevant local, state, and federal statutes, rules, and regulations.
2. Agency agrees to indemnify and hold Client harmless from any and all liabilities or damages, including attorney's fees and costs which client may suffer as a result of any breach of Agency of a covenant contained herein.
3. In the event of any such claims or demands arising out of Agency's breach of a covenant or alleged breach of a covenant contained herein, Client will give Agency written notice of such claims within fourteen (14) days after the date upon which Client has actual knowledge of such claims or demands and will hold Client harmless from any and all liabilities or damages, including attorney's fees and costs which client may suffer.
4. Agency will provide and maintain, at its own expense during the term of this Agreement, comprehensive general liability insurance including an errors and omissions policy insuring all office and staff personnel and will name the City of Crossville as a named insured. The minimum amount of this insurance policy is in the amount of 1,000,000.00.

5. This section will not relieve Client from liability proximately caused by the employees of Client in the normal course of their duties.

PROCEDURES FOR LEGAL ACTION

In the event legal action against a debtor is deemed necessary by the Agency for the purpose of collection a delinquent account, Agency will:

1. Appropriately complete the required documents and affidavits.
2. Present affidavits to Client for execution and final authorization to proceed with the suit.
3. Employ the services of a fully licensed local attorney to represent the Client in court.
4. Prior to filing any suit, the consent of the City Attorney and the Crossville City Council must be obtained.

ATTORNEY'S FEES AND COURT COSTS

In the event any proceedings or legal action is authorized by Client and pursued by Agency for Client, all associated fees including but not limited to warrant costs and garnishment costs, shall be borne by Agency. In the event Client desires to remove account from litigation proceedings following court costs/attorney fees being incurred by agency, Client agrees to reimburse Agency for such costs.

RETAINED ACCOUNTS

In the event of termination of Agreement, agency will retain for continued agency services all accounts with established payment arrangement, accounts with payment within last 90 days, and all accounts that have been litigated by agency and balance is remaining due and owing by debtor. All amounts due by Client to agency for previous activity as outlined in section Agency Services will be due immediately and payable prior to returning of accounts to Client.

NOTICES

Any notice required or permitted to be given hereunder shall be deemed given the day following the date of the postmark if sent prepaid certified mail, return receipt requested. Until either party advises the other party of a change in how notices shall be addressed, all notices pursuant to this Agreement shall be addressed to the address of the parties shown in this Agreement. All notices should be mailed to:

CBC
ATTN: Shannon Sharpe
P O Box 5067
Kingsport, TN 37663

City of Crossville
ATTN: Valerie Hale, City Manager
392 N Main St.
Crossville, TN. 38555

ENTIRE AGREEMENT

Parties to this Agreement agree that they have read this Agreement, understand it, and agree to be bound by its terms and conditions. It is further agreed that this Agreement constitutes the complete and exclusive statement of the terms and conditions between the Client and the Agency covering the performance hereof and cannot be altered, amended, or modified except in writing executed by an authorized representative of each party.

GOVERNING LAW

This agreement is subject to approval by the Crossville City Council. This agreement shall be constructed and enforced in accordance with the laws of the State of Tennessee. The terms of this Agreement are agreed to by:

City of Crossville

_____ Date _____

By: Valerie Hale, City Manager

CBC

_____ Date _____

By: Shannon Sharpe

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EXHIBIT A: DATA ELEMENTS AND ACCOUNT ASSIGNMENTS

All data fields marked with an asterisk “*” are required for the collection of accounts. If the required fields are not provided, then the AGENCY will be obligated to close the account and return to CLIENT.

Field Name		Value
Demographics & Account Details	Guarantor’s date of birth *	Date
	Guarantor account identification number	Numerical
	Guarantor’s first name	Text
	Guarantor’s last name	Text
	Guarantor’s date of birth	Date
	Guarantor’s Social Security number	Numerical
	Guarantor’s street address	Text
	Guarantor’s state	Text
	Guarantor’s Zip Code	Numerical
	Guarantor’s last known home telephone number	Numerical
	Guarantor’s last known mobile telephone number	Numerical
	Guarantor’s last known place of employment telephone number	Numerical
	Last Date of service * (Date services are rendered)	Date
	Current Amount Due *	Currency
	Total Amount paid by guarantor	Currency

EXHIBIT A continues on the following page.

**EXHIBIT A: DATA ELEMENTS FOR ACCOUNT
ASSIGNMENT (Continued)**

The Consumer Financial Protection Bureau (CFPB) issued on October 30, 2020, a final rule amending ‘Regulation F’ under the Fair Debt Collection Practices Act (FDCPA). The final rule goes into effect on November 30, 2021. The final rule, among other things, clarifies the information that a debt collector must provide to a consumer at the outset of debt collection communications and provides a model notice containing such information. If a debt collector is unable to provide the required information to the consumer, they are not legally allowed to collect from the consumer.

It is imperative the CLIENT provides the required information to the debt collector upon placement of assigned accounts, to maintain compliance and successful resolution of accounts.

Regulation F Requirement			
CLIENT must provide one of the following itemization dates and CLIENT must provide the balance at the time of the itemization:			
Itemization Date and Balance	Charge-off/write-off date *	Date	This is the date CLIENTS active AR balance becomes zero
	Balance at the time of charge-off/ write-off date *	Currency	Balance at the time of the account being charged-off.
	OR		
	Last statement date *	Date	The date of the last periodic statement or written account statement or invoice provided to the guarantor by the CLIENT
	Last statement balance *	Currency	Balance on the last statement or invoice provided to the guarantor by the CLIENT

Any activity after the itemization date must be broken out in the below format:

Post Itemization	Interest accrued since itemization date *	Currency	
	Fees charged since itemization date *	Currency	
	Payments and credit since itemization date *	Currency	

Signed By : _____

Printed Name : _____

Title: _____

EXHIBIT B: CLIENT QUESTIONNAIRE

Please complete the following questionnaire entirely. Information provided below will indicate approved collection procedures and ensure an accurate CLIENT profile.

CLIENT Questionnaire		Yes	No
Does CLIENT want AGENCY to credit report on Accounts assigned for collection?		<input type="radio"/>	<input type="radio"/>
Does CLIENT's intake paperwork include consent to call guarantor using an auto dialer, pre-recorded message, or artificial voice?		<input type="radio"/>	<input type="radio"/>
Was the phone number provided in the CLIENT's paperwork received by the CLIENT directly from the guarantor?		<input type="radio"/>	<input type="radio"/>
Select YES to ONLY ONE	Remit Preference: CLIENT would like AGENCY to report and remit the NET proceeds of all collections after fees have been deducted.	<input type="radio"/>	<input type="radio"/>
	Remit Preference: CLIENT would like AGENCY to report and remit the GROSS proceeds of all collections. If this option is chosen, CLIENT agrees to pay AGENCY its commission fees no later than the fifteenth (15th) day of the following calendar month.	<input type="radio"/>	<input type="radio"/>
Does CLIENT allow READ-ONLY access to billing platform to AGENCY?		<input type="radio"/>	<input type="radio"/>
Does CLIENT communicate with guarantors via email addresses?		<input type="radio"/>	<input type="radio"/>
If YES, can CLIENT provide guarantors with a notice to pass that consent to AGENCY?		<input type="radio"/>	<input type="radio"/>
Blank for this engagement.		<input type="radio"/>	<input type="radio"/>

Signed By : _____

Printed Name : _____

Title: _____

EXHIBIT C: CLIENT SERVICE LOCATIONS

CLIENT shall check all locations in which it provides services.

- | | |
|--|---|
| <input type="checkbox"/> Alabama | <input type="checkbox"/> Nebraska |
| <input type="checkbox"/> Alaska | <input type="checkbox"/> Nevada |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Nevada – Carson City |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> New Hampshire |
| <input type="checkbox"/> California | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> New Mexico |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> New York |
| <input type="checkbox"/> Delaware | <input type="checkbox"/> New York – New York City |
| <input type="checkbox"/> Delaware – Wilmington | <input type="checkbox"/> New York – Buffalo |
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> New York - Yonkers |
| <input type="checkbox"/> Florida | <input type="checkbox"/> North Carolina |
| <input type="checkbox"/> Georgia | <input type="checkbox"/> North Dakota |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> Ohio |
| <input type="checkbox"/> Idaho | <input type="checkbox"/> Oklahoma |
| <input type="checkbox"/> Illinois | <input type="checkbox"/> Oregon |
| <input type="checkbox"/> Illinois - Chicago | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> Indiana | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Iowa | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> Kansas | <input type="checkbox"/> South Dakota |
| <input type="checkbox"/> Kentucky | <input type="checkbox"/> Tennessee |
| <input type="checkbox"/> Louisiana | <input type="checkbox"/> Texas |
| <input type="checkbox"/> Maine | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Maryland | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> Massachusetts | <input type="checkbox"/> Virginia |
| <input type="checkbox"/> Michigan | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Minnesota | <input type="checkbox"/> West Virginia |
| <input type="checkbox"/> Mississippi | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Missouri | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Montana | |

CLIENT certifies that as of the date below all the information provided in this CLIENT Service Locations form is correct and agrees that it will notify AGENCY of any changes to the information provided herein no later than the fifteenth (15th) day of the calendar month following such change.

Signed By : _____

Printed Name : _____

Title: _____

EXHIBIT D: COMMISSION FEE SCHEDULE

Commission Fees are contingent on the successful collection and resolution of Accounts assigned to AGENCY.

Type of Account	Commission Fee
<u>Early Out (1-120 days)</u>	N/A
<u>Primary Placement (120 days)</u>	25%
<u>Litigation Accounts</u>	35%

Signed By : _____

Printed Name : _____

Title: _____