

**COLLECTION AGREEMENT BETWEEN
CROSSVILLE POLICE DEPT
AND
RAPID RECOVERY, INC.**

This agreement is between **Rapid Recovery, Inc.**, a registered and active Tennessee corporation, whose principal address is 230 E James Campbell Blvd, Suite 106, P.O. Box 275, Columbia, TN 38401-0275, (hereinafter "Rapid Recovery") and **Crossville Police Department**. For and in consideration of the mutual promises contained in this agreement the parties agree as follows:

1. The **Crossville Police Department** requires assistance with certain specialized professional services in connection with the collection of accounts that are delinquent and owed to the **Crossville Police Department**. **Rapid Recovery** is a licensed and bonded collection agency in the State of Tennessee and is able to provide such specialized professional services. The parties specifically contemplate that **Rapid Recovery** will collect fines and court costs for the **Crossville Police Department**. These items are typically represented by unpaid court orders, judgments, and adjudications, or unpaid citations for State of Tennessee misdemeanors for which the maximum penalty under Tennessee law is a fifty dollar (\$50.00) fine and/or violations of the **Crossville Police Department**. Each conviction or ticket shall constitute an individual item for collection by **Rapid Recovery**.

2. All accounts represented by delinquent fines and court costs or other delinquent funds owed to the **Crossville Police Department**, once collected by **Rapid Recovery**, shall be placed in a secured trust account by **Rapid Recovery**. The accounts or funds, once placed in the trust account, shall be paid over to **Crossville Police Department** within thirty (30) days after the date that the funds were deposited into the account. **Rapid Recovery** shall remit funds to the **Crossville Police Department**. At the end of each month and provide reports to the police

department in sufficient detail to identify the account. All reports and payments made by **Rapid Recovery** to the **Crossville Police Department** shall be mailed to:

Crossville Police Department
115 Henry Street
Crossville, TN 38555

3. The **Crossville Police Department**, its agents, and assignees shall have access to the books, accounts and records regarding their accounts that are the subject of this agreement and may audit **Rapid Recovery's** books, records, and data related to **Crossville Police Department** accounts upon reasonable notice to **Rapid Recovery**.

4. **Rapid Recovery** shall abide by relevant law, including, but limited to Tenn. Code Ann. § 40-24-105(e) related to the collection of **Crossville Police Department** accounts.

5. **Rapid Recovery** agrees that it shall hold harmless, indemnify and defend **Crossville Police Department** and against any claims of a third party related to the delinquent accounts for any wrongful act or wrongful failure to act by **Rapid Recovery** that causes the claim. **Crossville Police Department** agrees to provide **Rapid Recovery** with accurate records and other data on any valid accounts that are due and owing the **Crossville Police Department**.

6. In accordance with Tenn. Code Ann. § 40-24-105(e)(3), **Rapid Recovery** shall have the discretion to institute an appropriate action to collect delinquent accounts in a judicial proceeding of its choosing and where specified by law.

7. **Rapid Recovery** shall not compromise or settle any account without the written consent of the **Crossville Police Department**.

8. **Rapid Recovery** will notify the **Crossville Police Department** in writing of any account that is no longer being sought for collection by **Rapid Recovery**. Once the **Crossville**

Police Department receives notification, those accounts will no longer be collected by **Rapid Recovery**.

9. In the event that **Crossville Police Department** decides to collect its own accounts, it may reclaim the accounts from **Rapid Recovery** where the accounts are uncollected. An uncollected account shall not include accounts that are being paid or are in the process of being paid by a debtor or accounts where garnishments, execution or a levy has been issued against the assets of a debtor. Upon written notice to **Rapid Recovery**, **Rapid Recovery** shall turnover all uncollected accounts back to **Crossville Police Department** within forty-five (45) days of the receipt of the notice.

10. Either party to this agreement may cancel the agreement without cause by sending written notice of cancellation to the other party at the addresses set forth in Section 3 of this agreement. The notice to cancel the agreement shall be effective in forty-five (45) days from the notice date. In the event that the agreement is cancelled, the time periods for reports and payments shall still be adhered to by the parties.

11. **Rapid Recovery** shall be entitled to a fifty dollar (\$50.00) commission or fee per item placed for collection with **Rapid Recovery** by the **Crossville Police Department** where the account is collected. In the event that the per item charge exceeds the amount allowed by Tenn. Code Ann. § 40-24-105(e)(2) on collected accounts, **Rapid Recovery** agrees to accept forty percent (40%) of the amounts collected as its commission or fee. In collecting the delinquent accounts provided to **Rapid Recovery** by the **Crossville Police Department**, the parties agree that **Rapid Recovery** or the **Crossville Police Department** may recalculate all or parts of the account by the addition of lawful charges for litigation taxes, penalties, and interest and other lawful charges to allow for the inclusion of **Rapid Recovery's** commission or fee and a net

payment of the account balance to the **Crossville Police Department** of the amount turned over to **Rapid Recovery** for collection as originally calculated wherever and whenever possible. **Rapid Recovery** will only be compensated upon payment of a delinquent account by a debtor.

12. The **Crossville Police Department** shall not be responsible for compensating **Rapid Recovery** for any services provided they follow the correct process for managing its delinquent accounts. The \$50.00 commission or fee due to **Rapid Recovery** upon a successful collection of a delinquent account shall be added to the debtor account over and above any amounts owed the **Crossville Police Department**. In the event a debtor chooses to pay the **Crossville Police Department** directly for a delinquent account for which **Rapid Recovery** would have otherwise been entitled to a \$50.00 commission or fee had the debtor paid **Rapid Recovery** instead, and the **Crossville Police Department** chooses to accept the direct payment, it is the responsibility of the **Crossville Police Department** to collect the **Rapid Recovery** fee from the consumer at the time of this direct payment and to remit the fee to **Rapid Recovery**. In the event that this fee is not collected by the **Crossville Police Department**, the fee is due and owing to **Rapid Recovery** by the **Crossville Police Department**. The **Crossville Police Department** shall have no other expenses or costs due to **Rapid Recovery** other than the fifty dollar (\$50.00) commission or fee to which **Rapid Recovery** is entitled.

13. No delinquent accounts comprised solely of unpaid parking tickets shall be sent to **Rapid Recovery** for collection until the **Crossville Police Department**, in compliance with Tenn. Code Ann. § 6-54-513, has notified the owner of record of the motor vehicle for which the parking ticket was issued by postal mail that such an action will occur unless the owner pays the unpaid tickets within thirty (30) days from the date the notice is mailed to the owner by the

Crossville Police Department. Additionally, such notice shall also include a statement that, if the ticket is sent to **Rapid Recovery** for collection after thirty (30) days.

14. This agreement shall be interpreted according to the laws of the State of Tennessee. Venue and jurisdiction for any action at law or in equity arising out of the provisions of this agreement shall be vested exclusively in the courts.

15. If any provision of this Agreement is determined by any court or other competent authority to be unlawful and/or unenforceable, the remaining provisions of this agreement shall continue in effect.

16. This agreement may only be amended by written agreement of both parties.

Crossville Police Department

Title

Rapid Recovery, Inc.

Title