

## COLLECTION SERVICES AGREEMENT

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016 (the "Effective Date"), by and between Gila LLC d/b/a Municipal Services Bureau, a Texas limited liability company (hereinafter, "MSB") with its principal place of business at 8325 Tuscany Way, Bldg. 4, Austin, Texas 78754, and City of Killeen, Texas (hereinafter, the "City"), who agree as follows:

### I. DUTIES AND RESPONSIBILITIES.

A. Debtor Contact. MSB will mail notices, telephone and/or otherwise contact those individuals or entities (as referred to herein, the "Debtors") who the City has identified to MSB as having outstanding and unpaid fees, obligations, fines or similar items payable to the City in connection with debts due and owing to the City. MSB's contacts with Debtors will be to attempt to notify Debtors of their obligation(s) to the City. The purpose of the contact is to offer Debtors the opportunity to resolve their obligation(s) voluntarily before the City contemplates further action, if any. With respect to each account referred to MSB by the City, the City will provide to MSB the name and last known address of the Debtor, all information regarding the date(s) of the alleged obligation(s), the date judgment, if any, was entered against the Debtor, and the amount of any such obligation(s) for which the City is owed monies by the Debtor. The City, to the extent available, will also supply MSB with any other information about each Debtor such as driver's license number, social security number and/or telephone number. When appropriate and at its sole discretion, MSB may attempt to locate Debtors when the last known address or other information provided by the City is invalid. The information supplied to MSB by the City must be in a format acceptable to MSB and shall be provided not less frequently than once every month.

B. Correct Information. MSB will rely completely on the City to provide correct information about each Debtor's existing case(s) and, specifically, about any dollar amount in question. The City will immediately update and correct any information it has provided to MSB. In particular, the City will immediately notify MSB of any payment or other satisfaction of indebtedness made directly to the City or any other action affecting the amount or timing of monies owed by any Debtor to the City, including the receipt or notification of any Debtor's retention of counsel or the filing or suggestion of bankruptcy by any Debtor.

C. Accounts Returned. The City will allow MSB a minimum of 365 days to contact a Debtor about his/her/its account. This time period will begin with the first day of the following month in which the account was referred to MSB. During this 365 day period, the City agrees not to contact Debtors or otherwise attempt to collect monies for those Debtors whose accounts have been referred to MSB, though nothing contained herein shall limit or otherwise restrict the City's ability to accept monies forwarded or otherwise directly paid by any Debtor to the City. Upon written request by the City, MSB will cease contacting a Debtor whose account remains outstanding at the time of the written request. Upon written request by the City, MSB will return any Debtor's account to the City.

D. Debtors Referred to the City. In the event MSB receives a request from a Debtor to resolve their obligation in a method other than by payment (i.e., a notification of bankruptcy or other extenuating circumstances), MSB will refer those Debtors who wish to resolve their obligation with the City other than by payment to the person designated by the City to respond to the Debtor's request.

E. Valid Debts. The City agrees that Debtor accounts placed with MSB for collection will be valid and legally enforceable debts and not disputed or subject to any bankruptcy proceeding unless otherwise disclosed in writing to MSB by the City.

## II. COMMISSIONS ON MONIES COLLECTED.

A. Basic Commission Rate. The City will pay to MSB a commission rate of twenty-three (23.00%) on all amounts of monies collected and/or received for accounts after the date the account is referred to MSB by the City, regardless of whether payment is accepted directly by the City or accepted by MSB on the City's behalf.

By way of example, after a Debtor's account is referred to MSB, if \$100.00 is paid on that account, MSB's commission will be \$23.00, regardless of whether payment is accepted directly by the City or accepted by MSB on the City's behalf. In this example, after deduction of MSB's commission, the amount due to the City will be \$77.00.

B. Notification of Collections. MSB will notify, in a mutually agreed-to format, the City daily of any monies it receives towards payments of obligations due and owing to the City. By the fifteenth of each month, MSB will provide detailed reporting to the City to identify all accounts known to be resolved during the prior month and will remit all monies collected on the City's behalf. MSB makes no warranties or representations, expressed or implied, about the amount of funds that will be collected and MSB shall have no liability for any amounts uncollected. .

C. For funds collected directly by the City on accounts referred to MSB, the City will notify MSB as soon as possible, but not less than weekly, and MSB will invoice the City on a monthly basis for the commission due to MSB. The City agrees to review the invoice and forward payment to MSB within 30 days of receipt of the invoice.

## III. TERM AND TERMINATION.

This Agreement will commence on its Effective Date and will remain in full force and effect for a period of three (3) years (the "Initial Term") from the Effective Date. Unless otherwise terminated pursuant to the terms of this paragraph, the Agreement will automatically renew for two (2) consecutive annual periods. After the Initial Term, either party may terminate this Agreement, with sixty (60) days prior written notice, at the address set forth herein. If the Agreement is terminated, any City accounts then held by MSB will be returned to the City 90 days from date of termination.

## IV. OTHER PROVISIONS.

A. Indemnification.

(1) Indemnification by MSB. To the extent permitted by applicable law, MSB will indemnify and hold harmless the City from and against any and all loss, damages, liability, claims or injury resulting from actions performed by MSB or its agents on MSB's behalf in connection with this Agreement. This indemnity will survive the expiration or termination of this Agreement.

(2) Indemnification by the City. To the extent permitted by applicable law, the City will defend, indemnify and hold harmless MSB and MSB's directors, shareholders, officers, agents, employees, insurers and contractors (the "MSB Indemnified Parties") from and against any and all claims, demands, penalties, suits, actions, proceedings, losses, liabilities, damages, costs and expenses of any kind (including reasonable attorneys' fees) resulting from claims by third parties and based upon or arising out of the City's conduct in connection with this Agreement. This indemnity will survive the expiration or termination of this Agreement.

B. Applicable Law. This Agreement will be construed in accordance with the laws of the State of Texas. MSB shall comply with all applicable laws, rules, regulations, restrictions, and standards regarding the security of the City's data. MSB shall comply with all laws, rules, regulations, standards, or restrictions concerning information technology security, network or data security, and patient privacy at MSB's sole cost and expense.

C. Force Majeure. No party shall be liable for any failure to perform its obligations in connection with any action described in this Agreement, if such failure results from any act of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such party's reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a party's financial condition or negligence).

D. Notices required or otherwise arising from this Agreement shall be sent the following:

Notices to MSB:	Municipal Services Bureau 8325 Tuscany Way, Bldg. 4 Austin, Texas 78754 Attention: Bruce Cummings
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Notices to the City:

City of Killeen  
PO Box 1329  
Killeen, TX 76540-1329  
Attention: Tanya Strickland  
(254) 501-7732 Telephone  
(254) 501-8984 Facsimile

IN WITNESS WHEREOF, the parties to this Agreement have signed and delivered this Agreement as of the Effective Date written above.

**GILA LLC D/B/A MUNICIPAL SERVICES BUREAU:**

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

**CITY OF KILLEEN, TEXAS:**

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By: Lillian Ann Farris  
Its Interim City Manager and representative duly authorized to execute this Agreement