

FIRST EXTENSION COLLECTION SERVICES AGREEMENT

This "Collection Services Agreement" [hereinafter "Agreement"] is entered into and effective this 1st day of July, 2009 by and between the Nassau County Clerk of the Circuit Court, a Florida constitutional officer, [hereinafter "Clerk"] on behalf of Nassau County and S.C. Services & Associates, Inc., a Florida corporation [hereinafter "Consultant"].

-RECITALS-

Whereas, Florida Statute 28.246(6) allows Florida Clerks to engage the services of a collection agency or a private attorney to collect certain delinquent court-related fines and costs, and

Whereas, the Clerk, upon evaluation of various collection services utilized by Clerk of Courts in the State of Florida and in accordance with Article V Revision 7, does hereby retain the Consultant to furnish collection services for all court related collections mandated by legislation for collection by the Clerks as set forth in the Collection Service Agreement for the Nassau County Clerk of the Circuit Court effective July 1, 2004. In the event of a conflict between the terms of this Agreement and those set forth in the Nassau County Agreement, this Agreement shall govern.

1. **General Requirements**

- A. **Scope.** Collection Services are sought by the Clerk for delinquent accounts owed by violators or defendants {hereinafter "Debtor"} for court related collections that are delinquent for more than 90 days and for all criminal fines and court costs that are in the form of judgments.
- B. **Initial Transmission.** Initial transmission of information to the Consultant from the Clerk to be determined and agreed upon by Clerk and Consultant.
- C. **Data Format.** Format for information transmitted by the Clerk and information transmitted by the Consultant to the Clerk should be in the agreed format.
- D. **Information Communicated to Debtor.** The Clerk will review and have final editorial approval of all written collection notices to Debtors. The Consultant shall remain solely responsible for including debtor collection language required by State and Federal law on all written notices and verbal communications.
- E. **Transmission of Payments by Consultant.** The Consultant will electronically remit all full and partial payment information the agreed format (see item 3 ii), to the Clerk the next business day following the day of payment receipt. Payment information totals must agree with amounts wire transmitted through ACH transactions to the Clerk's bank or by weekly payment in the form of a check. The Consultant will retain the collection fee on those accounts paid (see item iii) and report this amount with the payment information. In addition, Consultant will be required to obtain the most recent mailing address of the Debtor and include this information in the daily transmission to the Clerk.

2. **Effective Date, Initial Term & Extended Terms.**

- A. Effective Date. This Agreement shall become effective on the day and year as specified above or upon execution of both parties.
- B. First Extension Term. The term of this Agreement shall be for a period commencing with the Effective Date and continue through June 30, 2010.
- C.. Subsequent 2-Year Extension: At the expiration of the First Extension Term, if this Agreement is in full force and the parties have performed all terms and conditions thereof, and provided the Clerk has not given prior written notice to Consultant of its intention not to extend this Agreement, this Agreement shall be automatically extended upon the same terms and conditions as herein provided, for successive one (1) year terms until notice of termination or nonrenewal is given as provided in this Agreement.

3. **Compensation.** Consultant's total compensation for services rendered hereunder shall be the collection fee authorized under Florida Statute 28.246.

- A. Subject to the terms hereof, Consultant shall be entitled to assess and collect this fee, which shall:
 - i. be in addition to the court related collection for all fines and costs owed by the defendant/debtor.
 - ii. Equal 30% collection fee on civil traffic collections and 35% on all other cases of court related collections referred to Consultant (except payments received at 40% fee until July 30, 2009 will be kept by S.C Services).
 - iii. Represent all services performed by Consultant, including but not limited to, all expenses incurred by Consultant for its collection processes, and
 - iv. Be considered a monetary obligation owed by the Debtor to Consultant, and shall under no circumstances be deemed an obligation of the Clerk.
- B. The Consultant's fee shall be allocated and retained by Consultant as follows:
 - i. On receipt of payment in full Consultant shall remit all monies owed to clerk.
 - ii. Partial payments by a Debtor to Consultant shall be distributed seventy (70) percent to the Clerk and the consultant shall retain thirty (30) percent on traffic and sixty-five(65) percent to the Clerk and thirty-five(35) on all other cases until that Debtor's statutory fines and costs are fully satisfied;

4. **Assignment.** The assignment hereunder of delinquent accounts by Clerk to Consultant is a limited, conditional revocable assignment. As such, the Clerk retains full authority to revoke any account assignments at any time during the collection process in accordance with the conditions set forth in this Agreement.

5. Revocation of Assignment - Conditions.

A. Without Cause - No Monies Yet Paid to Consultant. On accounts for which no money has been paid to Consultant, the Clerk may in his sole discretion and without cause, revoke the assignment of an account by providing written notice pursuant to Paragraph (13)(K) of this Agreement titled "Notices". Upon receipt by Consultant of Clerk's notice of revocation of account assignment, Consultant shall promptly:

- i. cease all collection efforts on the revoked account,
- ii. not accept any subsequent payments on that account,
- iii. not charge or require the Clerk or Debtor to pay any collection fee(s) on the revoked account and return the account to the Clerk.

B. For Cause - Erroneous Assignment or Court Action. Any error in data transmitted by the Clerk may result in revocation of an assignment. In addition, if the Court takes action on a citation resulting in dismissal of the charges, or if the court takes other action for which the Clerk deems account revocation becomes necessary, the assignment will be revoked. Written notice pursuant to Paragraph (13) (K) of this Agreement titled "Notices". Upon receipt by Consultant of Clerk's notice of revocation of account assignment, Consultant shall promptly:

- i. cease all collection efforts on the revoked account,
- ii. not continue to accept any subsequent payments on that account,
- iii. return the account to the Clerk, and
- iv. not charge or require the Debtor to pay any collection fee(s) on the revoked account, and return to the payor all monies, if any, retained by Consultant as its collection fee or any part thereof. However, Clerk shall be responsible for returning to payor all monies, if any, transmitted to Clerk by Consultant for payment of the court-related financial obligations where appropriate.

6. Direct Payment to Clerk

Once Consultant has received account, the Clerk shall direct Defendant/debtor to Consultant and no monies shall be Collected by the Clerk.

7. Release of Information to Credit Bureau and Legal Action.

- A. Consultant shall have the right to present accounts delinquent over one year to the major credit reporting agencies. Upon satisfaction of debt Consultant shall notify reporting agency within thirty (30) days.
- B. In the unlikely event that information is mistakenly transferred to a credit bureau or a credit history reporting database, Consultant shall take prompt remedial action to assure removal of that information from such records in addition an apology letter will be issued to the defendant/debtor.

8. Records Management.

- A. Consultant understands that the information pertaining to delinquent Debtors, which Consultant will receive from Clerk, is a public record, and will permit public access to same in accordance with the laws of Florida. Further, Consultant represents that it neither asserts nor retains any proprietary or other interest in any of such information received hereunder. Consultant further understands that the Clerk remains the official custodian of these records, and Florida Statute 316.650(11) prohibits Consultant's use of the Debtor's name and address for commercial solicitation purposes.
- B. Consultant recognizes that integrity of the records to which its employees, agents and subcontractors will have access under this Agreement is of paramount importance. Accordingly, Consultant ensures that its employees, agents and subcontractors will not do anything to destroy, alter or compromise the records transferred to it by the Clerk.
- C. Consultant shall maintain and retain all books, records, data in hardcopy or in electronic files and other related and relevant documentation related to this Agreement and the services performed hereunder for a minimum of three (3) years after the expiration of this Agreement or any extension thereof. Consultant shall make such records available to Clerk during regular business hours for inspection and copying.
- D. Consultant further agrees to furnish Clerk with an independent certified audit through September 30 of each year. Consultant shall make available to Clerk said audit within six months and to bear all cost and expenses related thereto.

9. **Indemnification.** The Consultant agrees to indemnify, and hold Clerk and their officers, employees and agents free and harmless from and against any and all losses, damages, costs, professional fees or other expenses in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. The Consultant agrees that it shall indemnify and hold harmless the County and the Clerk, its employees and agents to any and all work performed by the Consultant, its subcontractors, employees, agents or assigns. The Consultant further agrees to investigate, handle, respond to, provide defense (including payment of attorney fees up to and including any appeal) for and defend any such claim at its sole cost and expense and agrees to bear all other costs and expenses related thereto. This obligation shall in no way be limited in any nature whatsoever by any limitation on the amount or type of Consultant's insurance coverage. This contract shall be governed by the laws of the State of Florida. Venue for any legal action between parties shall be in Nassau County, Florida.
10. **Insurance Requirements.** For all periods during which this Agreement is in effect, Consultant shall maintain insurance coverage in the forms and minimum coverage amounts set forth below:
- A. Errors and Omissions/Professional Liability - Coverage must be afforded under an "occurrence" form policy or "claims made" form in limits not less than \$1,000,000,000. It is required that "Errors and Omissions/Professional Liability" Insurance coverage be provided for all acts and omissions that occur during the term of the Collection Services Agreement. If this coverage is written on a claim made form, proof of extended reporting period coverage is required.
 - B. Commercial General Liability - Coverage must be afforded, under a per occurrence form policy, including Premise Operations, Independent Contractors, Products and Completed Operations, Broad Form Property Damage Endorsement, for limits not less than \$500,000/general aggregate; \$500,000/products - completed operations (aggregate) \$500,000/personal injury-advertising liability; \$500,000/each occurrence; \$25,000/fire damage legal; \$5,000 medical payments. Coverage at the herein-specified limits for tort claims shall include, but not be limited to, personal injury or property damage/loss related to libel, false arrest and slander.
 - C. Certificate of Insurance - Certificates of all insurance required from the Consultant shall be filed with the Nassau County Clerk of the Circuit Court as the certificate holder, before operations are commenced. The insurance indicated on the certificate shall be subject to its approval for adequacy and protection. The certificate will state the types of coverage provided, limits of liability and expiration dates

The Consultant shall provide to Clerk a certificate of Insurance naming Clerk as additional named insured with a thirty (30) day notice of cancellation. The certificate should also indicate if coverage is provided under a "claims made" or "per occurrence" form. If any coverage is provided under claims made form, the certificate will show a retroactive date, which shall be the same date of this Collection Services Agreement.

If the initial insurance expires prior to the completion of the work, renewal certificates and/or required copies of policies shall be furnished by Consultant to Clerk thirty (30) days prior to the date of coverage expiration.

11. Termination.

- A. By Clerk. Clerk may terminate this Agreement without cause at any time by providing at least thirty (30) days prior written notice to Consultant. Such notice shall be given in accordance with Paragraph (13)(K) of this Agreement titled "Notices".
- i. Additional 90-Day Collection Period. In the event of such termination, Consultant may continue collection activity on previously assigned accounts for a period of 90 days from receipt of Clerk's notice of termination.
 - ii. Ongoing Procedures and Reports. All procedures for money transmittal and reports related to these accounts shall remain operative:
 - a. during this 90 day period, and
 - b. for all times subsequent to the expiration of this 90 day period in the event Consultant receives post-termination payments.
 - iii. Expiration of 90-Day Period. Upon the expiration of this 90 day period, Consultant shall:
 - a. cease all collection efforts and no longer be due collection fees on accounts assigned as a result of this Agreement,
 - b. forward to Clerk any monies received at that time for accounts which had been assigned hereunder,
 - c. forward to Clerk any monies received subsequently for accounts which had been assigned hereunder, and
 - d. return to Clerk all assigned accounts.
 - iv. Final Accounting. Within 30 days following the expiration of this 90 day period, Consultant shall submit to Clerk a final accounting of all assigned accounts for which a fine/court cost balance remains due.
 - v. Under no circumstances will any damages be paid as a result of termination hereunder.

B. By Consultant. Consultant may terminate this Agreement by nonrenewal of same. To effect nonrenewal, Consultant shall give written notice to Clerk in accordance with Paragraph (13) (K) of this Agreement titled "Notices". Such Notice shall be given at least sixty (60) days prior to the expiration to the then current Term. Such notification of nonrenewal will cause this Agreement to terminate upon the expiration of the then current Term.

i. Upon termination, Consultant shall:

a. cease all collection efforts on previously assigned accounts,

b. no longer be due collection fees or be entitled to receive payments from debtors on accounts assigned as a result of this Agreement,

c. forward to Clerk any monies received at that time or subsequently for accounts which had been assigned hereunder,

By Consultant (Continued)

d. return to Clerk all assigned accounts, and

e. within 30 days of the date this Agreement is terminated, submit to Clerk a final accounting of all assigned accounts for which a fine/court cost balance remains due.

12. **Default.** The failure of either party to comply with any provision of this Agreement shall place that party in default.

A. Notice. In the event of a default, the non-defaulting party shall notify the defaulting party in writing. Such notification shall make specific reference to the event, act or omission, which gave rise to the default, as well as the provision of this Agreement to which such default pertains.

B. Cure. The defaulting party shall be given seven (7) business days from receipt of such notification in which to cure the default.

C. Termination. If the default is not cured within the allotted time, the non-defaulting party may terminate this Agreement. In the event of such termination, the provisions of Paragraph 11(B) (i)(a-e) of this Agreement shall be followed.

D. Non-waiver of Rights. The failure of either party to exercise any right hereunder shall not be considered a waiver of such right in the event of any further default or non-compliance.

13. Miscellaneous Provisions.

- A. Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed orally. Amendments, supplements, changes and waivers shall be deemed effective and binding only if accomplished by a written instrument signed by both parties hereto.
- B. Assignment. No party may assign its duties or obligations under this Agreement, without written consent of the other party, to any person or entity, in whole or in part. In the event of an agreed-upon assignment, the parties understand that Consultant shall remain liable for performance of the contractual provisions of this Agreement.
- C. Authority. The parties have all necessary legal capacity, right, power and authority to enter into, execute, deliver and be bound by this Agreement.
- D. Compliance with Laws. In accordance with the requirements of Florida Statute 28.246, Consultant is either a private attorney who is a member in good standing of The Florida Bar, or a collection agent who is registered and in good standing pursuant to Chapter 559, Florida Statutes.

Consultant shall comply with all Federal and State laws, ordinances, regulations and requirements applicable to the work contemplated by this Agreement. Consultant is familiar with all federal, state and local laws, ordinances, code rules and regulations that may in any way affect the work hereunder including, but not limited to the Florida Commercial Collection Practices Act and the Fair Debt Collection Practices Act. Ignorance on the part of the Consultant will in no way relieve it or its subcontractors, agents or assigns of responsibility.

- E. Compromise and Settlement. Consultant shall not compromise or settle any delinquent account for less than the full amount owed or enter into installment payment plans with Debtors, unless otherwise directed in writing by Clerk. If Consultant receives only a portion of the debt due, it shall promptly remit such partial payment to Clerk in accordance with Section 3 of this Agreement.
- F. Expenses. Unless otherwise provided for in this Agreement, any expenses incurred by Consultant, its employees, agents, and subcontractors including but not limited to air or other travel fare, automobile travel mileage, and food and lodging expenses are the responsibility of Consultant.
- G. Governing Law. This Agreement and all transactions contemplated by this Agreement and all Exhibits thereto shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.
- H. No Legal Actions. There is no demand, claim, suit, action, arbitration or other proceeding pending or threatened (or for which any basis exists) that in any way questions or jeopardizes (or could question or jeopardize) the ability of either party to enter to this Agreement or perform any of said party's obligations hereunder.

Miscellaneous Provisions (Continued)

- I. No Waiver. The failure or delay of either party at any time to require performance by the other of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. Any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement.
- J. Performance. The parties' execution and delivery of this Agreement and performance by each party of said party's respective obligations under this Agreement do not breach, and will not result in a breach or violation of, any agreement, lien, security interest or understanding or obligation to which said party is a party or by which said party is bound.
- K. Notices. All notices, requests and other communications required under this Agreement shall be in writing and shall be faxed or mailed to the following:

CLERK

John Crawford
Clerk of the Circuit Court
76347 Veterans Way
Suite 456
Yulee, FL 32097
Fax: (904)-548-4508

CONSULTANT

S.C. Services & Associates
Attn: Sherri Cason, V.P.
P.O. Box 3116

Lake City, FL 32056
Fax: (386) 752-9492

- L. Permits Laws & Regulations. The Consultant shall obtain and pay for all necessary permits, permit application fees, licenses or any fees required.
- M. Public Entity Crimes. Consultant represents that it is in compliance with the provisions of Florida Statute 287.133, subsection 2(a) of which provides "[a] person or affiliate who has been placed on the convicted contractor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted contractor list."

Miscellaneous Provisions (Continued)

- N. Relationship of Parties. In the performance of this Agreement, the Consultant will be acting in the capacity of an independent contractor, and not as an agent, employee, partner, joint venture, or associate of the Clerk. The Consultant shall be solely responsible for the means, methods, techniques, sequences, and procedures utilized by the Consultant in the full performance of this Agreement. Neither consultant nor any of its employees, officers, agents or any other individual directed to act on behalf of the Consultant for any act related to this Agreement, shall represent, act, purport to act, or be deemed to be the employee of the Clerk.

- O. Severability. If any provision of this Agreement or any other agreement entered into pursuant to this Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement shall not be invalidated thereby and shall be given full force and effect so far as possible.

- P. Subcontractors. Consultant shall not subcontract, in whole or in part, its duties or obligations under this Agreement without prior written consent of Clerk. In the event of an agreed-upon subcontract, the parties understand that Consultant shall remain liable for performance of the contractual provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Collection Services Agreement between the Nassau County Clerk of the Circuit Court and S.C. Services & Associates, Inc. to be executed for the uses and purposes therein expressed on the day and year first above-written.

**Nassau County Clerk
Of The Circuit Court**


By: 

Name: John A. Crawford

Title: Clerk of the Circuit Court

Witness: 

S.C. Services & Associates, Inc.

By: 

Name: Sherri Cason

Title: Vice President

Witness: 