COLLECTION SERVICES CONTRACT

FOR

KITTITAS COUNTY

OLYMPIC CREDIT SERVICE, INC.

COLLECTION SERVICES CONTRACT

DEFINITION OF PARTIES TO THE CONTRACT:

Kittitas County and Olympic Credit Service, Inc., a Washington Corporation, hereinafter referred to as "Collector".

In consideration of the covenants and agreements herein contained and the terms and conditions hereof, the parties do hereby agree to the following specifications to this contract:

For *Kittitas County* - Olympic Credit Service, Inc., shall add its own collection costs as allowed by statue. The collection cost will be 35% of each assigned account balance.

Kittitas County shall have full authority to waive fees or add fees allowed by S.B. 5827 for any assigned account included in the above mentioned account division.

Forwarding of an assigned account to another agency outside the limits of Olympic Credit Service, Inc., shall incur a fee of 50%.

Bad Checks- 100% of the check amount is returned to Kittitas County, PLUS a $15.00 dollar "bonus" handling fee.

All interest collected on accounts, which have been assigned for collection shall be retained by the collection agency.

1. This contract shall become effective upon execution by all parties.
2. The Collector shall furnish all personnel, materials, equipment and labor for the collection work necessary to collect delinquent accounts, which has been assigned for collection by Kittitas County.
3. The Collector shall not use any unfair or unprofessional collection practices nor violate any regulations established by federal and/or state legislation or other applicable regulatory agency.
4. The collector is a Washington Corporation organized under, and by virtue of, the laws of the State of Washington and all license fees due and owing said State have been paid. That the Collector is duly licensed and has satisfied the bonding requirements of the States of Washington and Oregon.

5. The Collector shall provide the following collection agency services for Kittitas County.

a.) The Collector shall, within forty eight (48) hours, provide Kittitas County with an acknowledgment of the accounts assigned for collection.

b.) The Collector shall, within forty eight (48) hours of the assignment of accounts, begin collection activity through the use of notices sent by mail and telephone contact in accordance with all State and Federal regulations.

c.) The Collector shall remit by the 15th day of each month, funds that were collected during the previous month's business. Kittitas County, may at its option, have the Collector remit by one of two methods, which are as follows:

(1) Collector shall deduct his commission from the gross amount of the payments made and remit the net amount to Kittitas County (2) Collector shall remit the gross amount of payments to Kittitas County and submit a billing for the Collector's fees.

d.) The Collector shall provide Kittitas County with a statement for each month's remittance showing the date of payment, name of debtor, account number if known, amount of payment made, net amount due Kittitas County, collector's fee expressed in percentage and/or dollars and the remaining balance due after payment was applied. Totals for the number of payments, total dollars collected, total dollars due Kittitas County, and total dollars due as the collector's fee for services shall be included in this statement.

e.) The Collector shall pay for all legal costs and attorney fees when it becomes necessary. Upon receipt of funds on an account after such legal costs and attorney fees have been expended, Collector shall be entitled to credit payments toward said legal costs and attorney fees prior to the crediting for Kittitas County with funds to be applied to the outstanding balance of the account.

f.) The Collector shall, in addition to the above mentioned reports, provide Kittitas County with the following reports:

1.) The collector shall, in addition to the above-mentioned reports, provide Kittitas County with the following reports: MONTHLY REPORT OF CANCELED ACCOUNTS. A monthly report showing cancellation of accounts will accompany the Collector's monthly remittance report and check. The report will show the date of assignment, name of debtor, account

number if available, dollar amount of cancellation and will be coded as to the reason for the cancellation.

2.) QUARTERLY INVENTORY LISTING AND ANALYSIS REPORT OF RECOVERIES BY MONTH OF PLACEMENT. A quarterly report showing all accounts place for collection under this contract shall be given to Kittitas County should this type of report be desired. This report shall list all accounts alphabetically by date of assignment, account number or Collector's account number, dollar amounts assigned, dates of payments or cancellations, amounts of payments or canceled amounts, the current balance and current status as well as the total number of accounts assigned, total dollar amount assigned, total dollars collected, total dollars canceled and the total dollar amount of outstanding accounts. This report will also show the liquidation rate expressed in terms of percentage as to dollar amounts.

3.) ADDITIONAL REPORTS may be given verbally on any account at Kittitas County's request. Should the needs of Kittitas County change in regard to reports, Collector agrees herein to provide reports, which are sufficiently able to meet those needs.

6. The collector herein agrees that it will maintain a policy of there being no discriminatory practices on the part of the Collector with regard to sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap. The Collector further agrees that it shall at all times comply with all the applicable county, state and federal anti-discrimination laws, rules, regulations and requirements thereof. Any violation of this provision shall be considered a violation of this agreement and will be considered grounds for cancellation, termination, or suspension in whole or part of this contract.

7. The Collector agrees that Kittitas County may cancel any account within fifteen (15) days of assignment at no fee.

8. The Collector and Kittitas County being aware that from time to time, Kittitas County receives payment from sources other than the debtor, which mandates that Kittitas County write off the remaining balance, do hereby agree that in such cases the Collector's fee for services shall apply only to the actual amount paid and the balance written off by Kittitas County shall incur no fee.

9. The Collector shall indemnify, defend and save harmless Kittitas County and its officers, agents and employees against and from any loss, damage, costs, charge, expense, liability, claims, demands or Judgments of whatsoever kind or nature, whether to persons or property arising wholly or partially out of any act, action, neglect, omissions or default on the part of the Collector, its sub-contractors, and/or employees, except only such injury of damage shall have been caused by or resulted from the sole negligence of Kittitas County, its officers, agents or employees. In the event that any law suit or cause of action should be brought against Kittitas County due to an act, action, neglect, omission or default on the part of the Collector, its agents, subcontractors and/or employees, the Collector shall assume the defense thereof and pay any and all costs, charges, attorney fees and other expenses and any and all Judgments that may be incurred or obtained against Kittitas County with regard to an assigned account.
10. Neither the Collector not Kittitas County shall assign this contract, nor any interest, right or responsibility arising herein without the written consent of the other party.
11. Should any action arise for breach of this contract, the prevailing party shall be entitled to reasonable attorney fees.
12. This contract, with the mutual consent of both parties, may be extended for periods of one year or more. Such extensions shall employ the same terms and conditions as contained herein.
13. This contract constitutes the entire agreement between both parties. This contract shall not be modified in any way except with the written consent of both parties. Any such modifications shall be in writing and signed by an authorized representative from each of the parties to this contract.
14. This contract shall commence on February 1, 2014, and will continue until completion of the project, unless said contract is terminated earlier by Kittitas County or the Collector. Either party wishing to terminate this contract must give one hundred twenty (120) days notice in writing to the other party.
15. The Collector's services shall be furnished by the Collector as an independent Contractor and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to this contract by the Collector as an independent Contractor.

16. In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this contract, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Kittitas. This contract shall be governed by the laws of the State of Washington.

Dated this _____ day of _____, 2014.

Kittitas County

_____
Paul Jewell, Chairman

_____
Gary Berndt, Vice-Chairman

_____
Obie O'Brien, Commissioner

ATTEST:

_____
Clerk of the Board

Olympic Credit Service, Inc.
Terry L. Petersen, President

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