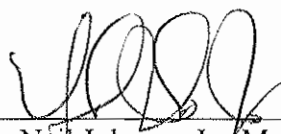


RESOLUTION NO. 1831

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BONNEY LAKE, PIERCE COUNTY, WASHINGTON,
AUTHORIZING A COLLECTION SERVICES CONTRACT WITH
PUGET SOUND COLLECTIONS, INC.**


The City Council of the City of Bonney Lake, Washington, does hereby resolve that the Mayor is authorized to sign the agreement attached hereto and incorporated hereby as "Attachment A".

PASSED by the City Council this 22nd day of July, 2008.

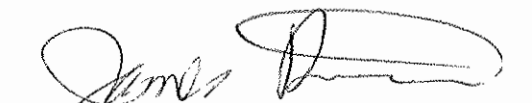


Neil Johnson Jr., Mayor

ATTEST:


Harwood T. Edvalson, City Clerk

APPROVED AS TO FORM:


James Dionne, City Attorney

COLLECTION SERVICES CONTRACT

THIS CONTRACT made and entered into this 11th day of June, 2008, by and between Bonney Lake Municipal Court, hereinafter called "Client" and Puget Sound Collections (PSC, Inc.), hereinafter called "Agency." Agency shall be providing collection services in collecting unpaid accounts receivable due the Client, hereinafter called "Accounts." It is understood that Agency will be solely liable in complying with this contract.

WHEREAS, the Client has unpaid accounts which it desires collected and Agency is duly licensed and bonded by the state of Washington to collect such accounts assigned for collection by the Client.

I. WORK TO BE PERFORMED

The Agency shall do all work and furnish all equipment, labor, postage, forms, and materials necessary to collect unpaid accounts turned over to Agency by the Client. The accounts assigned will be at the sole discretion of the Client.

a. Any legal action taken by the Agency on behalf of the Client shall take place only after reasonable collection efforts. Agency will process legal collections on behalf of the Client through the appropriate Superior Court. Should any account be reduced to judgment, the Agency will retain all awarded legal fees (court costs and attorney's fees).

b. Accounts listed in error may be canceled by the Client without penalty or fee being assessed by the Agency. Accounts that are identified as bankrupt (Chapter 7 – no asset) shall be cancelled without fee or penalty. Agency will file claims on behalf of Client for any accounts that are Chapter 13 and when consumers are deceased and assets have been identified (probate). The Bonney Lake Municipal Court reserves the right to withdraw or reduce any account assigned to the Agency that the Judge has ordered. This will be done without penalty or fee assessed to the Bonney Lake Municipal Court.

II. REPORTS AND REMITTANCE SCHEDULE

The parties agree to the following reports and remittance schedule, subject to mutual modifications:

a. Agency will furnish a computerized acknowledgment of assigned accounts within one week of account transfer. Acknowledgment shall include an alpha listing by name of guarantor, client's account number, amount assigned, total number of accounts and total dollar amounts assigned for collection.

- b. Agency will provide the Client with a Client Inventory Summary Report monthly. Such report will provide a summary of all accounts separated by status, along with the overall recovery percentage of dollars collected on behalf of the Client. A History Report and Stair-Stepped Liquidation Report shall also be provided on a quarterly basis. The Agency will also provide custom reports when the Client has specific needs. Additionally, the Agency will provide to the Client a complete list of the accounts paid daily.
- c. Agency will remit bimonthly to Client for assigned accounts collected. One check will be remitted for the principal portion of any collections and one check will be remitted for the interest portion due the Client. Remittance checks shall include a report with alpha listing by name, Client's account number, amount paid, balance due, account status, amount due the Agency and amount due the Client. The Agency will deposit daily all sums collected for the Client into a federally insured trust account.

III. AGENCY COMPENSATION

- a. Accounts are collected on a contingency only basis: no collection, no fee. The Agency will add a "collection fee" of 30% to citations listed by the court. A collection fee of 50% will be added to parking citations. A collection fee of 50% will be added to photo citations. These collection fees are allowed by RCW 3.02.045 and RCW 19.16.500. The Agency shall remit back to the court 100% of the principal amount remitted on accounts, excluding fees, plus 50% of interest collected by the Agency. Interest will be billed to the consumer at 12% per annum as allowed in RCW 3.02.045. For partial payment of debt, the Agency will apply payments first against the Courts principal balance, then against the Agency's collection fee and legal costs if incurred by the Agency, and last against the shared interest. Should any account be reduced to judgment, the Agency shall retain all awarded legal fees (court costs and attorney's fees).
- b. All accounts shall be deemed to have been assigned to the Agency upon receipt of the account by the Agency from the Client. Receipt shall be in the form of the Client's acknowledgment as provided by the Agency.
- c. The fees associated with the work performed by the Agency shall remain in effect for the agreement period. Payments to the Client shall be for the total amount collected less the appropriate Agency fee. The Agency shall supply sufficient documentation with

payments to allow independent verification of the total amounts collected and calculations of appropriate fees due the Agency. In the event additional reports are deemed necessary in the future for further accounting purposes, the Agency will be willing to cooperate with the Client to provide necessary reports. The Client may audit the Agency's records pertaining to the accounts assigned for collection with the provision of reasonable notice.

IV. METHOD OF PAYMENT

Acceptable consumer methods of payment will be money order, cash, cashier's check, and personal checks. Personal checks are subject to a 14-day hold period to assure checks clear before issuing payment documentation. Payment confirmation will be included in remittance cycle in which the 14-day hold ends. Agency will not charge back to the court any NSF checks or charges.

A payment station at Columbia Bank at 4420 South Meridian Puyallup, Washington will be maintained to provide immediate local access for consumer payment, which may be needed for speedy adjudication.

V. COMPROMISES AND COLLECTION COSTS

The Agency will not engage in compromise settlement arrangements without permission from the Client. Client shall have no responsibility for uncollected costs advanced by the Agency.

VI. COMPLIANCE WITH LAWS

Collection action activities by the Agency shall be in strict compliance with all state and federal laws existing at the time of the collection activity. These laws include, but are not limited to, Chapter 19.16 RCW (the Collection Agency Act), Chapter 19.86 (the Consumer Protection Act), RCW 3.02.045 (governing use of collection agencies by courts of limited jurisdiction), Public Law 95-109 (the Fair Debt Collection Practices Act), and all applicable laws and regulations of the United States Postal Services and the Federal Trade Commission. Agency is a member of the Washington Collectors Association and the American Collectors Association, and subscribes to its code of ethics.

VII. HOLD HARMLESS

The Agency will indemnify and hold harmless the Client from and against any and all claims and causes of action, be they meritorious or otherwise, asserted against the Client, except for claims and causes of action resulting from error or omission of the Client. The Agency shall obtain and keep in force continually

during the term of this agreement comprehensive general liability insurance coverage in an amount over two million dollars (\$2,000,000).

VIII. AUDIT

The Agency will permit the Client to audit Client assigned accounts. Audits will be done at the Agency office on any accounts that the Client shall choose. The Agency will be notified in advance that Client personnel will be conducting an audit and an appointment will be made that is convenient for both Agency and Client.

IX. CREDIT REPORTING

Credit reporting on assigned accounts will be made monthly to Equifax and Trans Union. Both are national credit reporting firms.

X. ASSIGNMENT

Neither the Client nor Agency may assign this contract nor any interest, right or responsibility arising from this contract without written consent of the other party.

XI. TIME OF COMMENCEMENT AND DURATION OF CONTRACT

The work to be performed under this contract shall commence on the 11th day of June, 2008. This contract will continue indefinitely unless thirty (30) days notice by either party is given, in writing, of the intent to terminate said contract or a desire to renegotiate a new contract.

DATED this 11th day of June, 2008

Bonney Lake Municipal Court

By:  _____

Its: *Mayor*

P.S.C., Inc.

By:  _____
Justin Anderson, CPA

Its: General Manager