

**Capital Recovery Systems, Inc.
750 Cross Pointe Rd., Suite S
Columbus, Ohio 43230
614-575-0590**

COURT DEBT COLLECTION AGREEMENT

1. RECITALS

Effective at date of signing, the West Lafayette City Court (herein after called the "Client") enters into this agreement with Capital Recovery Systems, Inc. (herein after called "Capital") for the benefit of the Client for the collection of delinquent fines, court costs, judgments and other debts for the Client.

Each party agrees it is giving and receiving adequate and valuable consideration.

Capital represents itself as expert in debt collection services provided to governmental entities, is thoroughly familiar with Federal and State of Indiana laws governing debt collection and is retained to provide services to the Client relating to the collection of public moneys due and payable to the Client. All services shall be rendered in accordance with the terms and conditions of this agreement and applicable law.

Capital shall be compensated only in accordance with the express written provisions of this agreement out of moneys collected by Capital for Client. Capital shall not be compensated by any other party, shall not look to general fund moneys of client other than moneys paid over to client and identified for payment of Capitals compensation earned under this agreement nor shall Capital be compensated in excess of the amount described in this agreement.

Any and all material commissioned or gathered by or in possession of Capital that has been generated to fulfill an obligation under this agreement, including names, and addresses of potential witnesses, shall be considered the property of the Client. Capital agrees to adhere to Indiana Revised Codes and maintain all public records accordingly. All responses to public records requests require approval of the Client.

In the event this agreement is terminated by any of the parties to this agreement, Capital shall be paid the agreed fee for all debts due the Client lawfully collected by Capital prior to termination, as specifically limited by the terms of this agreement. If Capital is removed from any case or matter then Capital agrees to effectuate a speedy and efficient transfer of work and to cooperate with the Client. Capital agrees to protect the Clients interest in any transfer of work. Client may withhold final payment to Capital if Capital fails to transfer all files, documents and materials when so requested by Client.

In view of the personal (i.e. particular) nature of services under this appointment, the Client shall be the sole judge of the adequacy of those services. This agreement is not assignable.

The parties further agree as follows:

2. TERM

This agreement is for three (3) years from the date of signing and shall stay in effect for the stated length of the agreement unless one of the following occur: the agreement is terminated with a 30 day notice submitted by the Client; or, as a result of the completion of all work for the assignment; or as a result of Capital's failure to perform its obligation under this agreement to Client's complete satisfaction. Capital shall render no services after the termination and no further services shall be compensable without an additional, authorized, written agreement with the Client.

3. SERVICES

A. SCOPE OF APPOINTMENT

Capital shall conduct any and all collection work assigned by the Client. Both parties recognize that the appointment is personal (i.e. particular) in nature and does not extend to any collection agency or firm that Capital is associated with, or is a partner of.

B. DELEGATION OF WORK

Capital may not delegate work to another collection agency or any other entity, whether or not such agency or entity is affiliated with Capital. No such attempted delegation of duties by Capital will relieve Capital of any responsibility under this agreement. No provision of this agreement shall be construed to allow Capital to subcontract with, hire or retain any collection agency or other legal entity engaged in debt collection.

C. INDEPENDENT CONTRACTOR RELATIONSHIP

Capital will render services pursuant to this appointment as an independent contractor. Capital shall not be regarded as in the employment of, or as an employee of the Client. Capital shall pay and make all required filings in connection with city, state and federal payroll taxes, pensions and/or social security contributions, workers compensation premiums and any and all other required payments on filings in connection with the engagement of any persons or firms which Capital may use in performing its responsibilities under this agreement.

Pursuant to this agreement, Capital shall conduct its collection activities in a manner consistent with the direction, rules and policy of the Client in their performance under this agreement

D. INFORMATION CONFIDENTIALITY

Capital agrees to maintain the confidentiality of and not to otherwise disclose any of Client's information provided by the Client to Capital in violation of applicable Federal and State of Indiana laws or Client's ordinances. Capital further agrees not to sell or disclose any information or listings of accounts forwarded to Capital by Client.

E. WITHHOLDING TAXES

Capital agrees to pay applicable state, federal and local withholding taxes on salaries and commissions paid to its employees.

F. CLAIM ASSIGNMENT

Capital agrees to abide by all policies and procedures promulgated by the Client relating to the collection of sums certain due for specified period of time and payable to the Client. Each claim assignment to Capital is for a minimum of one (1) year and may remain with Capital longer at the Client's discretion.

G. LEGAL COMPLIANCE AND INDEMNIFICATION

Capital agrees that all operations by Capital in performing this agreement shall be in complete compliance with all federal, state and local constitutions, charters, statutes, ordinances, rules and regulations of whatever nature. Warning: It is unlawful for officials and employees of Client to receive gratuities. Discrimination by Capital on grounds of race, religion, color, ancestry, nature of origin, or sex is unlawful and shall subject Capital to forfeiture. Capital warrants that it shall comply with any and all West Lafayette City ordinances as pertaining to employment discrimination.

Without limiting the general and comprehensive nature of the preceding paragraph and intending to emphasize the importance of compliance with certain requirements, Capital shall fully comply with all applicable requirements and limitations imposed under the Fair Debt Collection Practices Act (FDCPA), The Fair Credit Reporting Act (FCRA) and the United States Bankruptcy Code as they may pertain to Capital performing this agreement.

Capital agrees to indemnify Client from any liability and to save the Client harmless from any damage which Client may suffer as a result from acts or omissions of Capital or any employee or agent of Capital, including reimbursing Client for and all litigation costs, including attorney fees, which Client may incur in defending against such liability and damage.

The Client assumes no responsibility for any derogatory credit reporting for any claim assigned to Capital.

4. COMPENSATION

Capital will be compensated for services through payment of a fee from funds collected by Capital on a specific claim, in an amount approved by the Client or his/her designee. Client shall add the greater of a \$30 or a 30% collection fee, as provided by Indiana Statute 5-22-6.5, to each claim assigned for collection or court appearance. This fee shall be the only moneys Capital may commission on.

Capital will be responsible for collecting all payments on cases assigned to Capital by Client. No money shall be paid by debtors/defendants to Client on cases already assigned to Capital. Capital will remit moneys collected on behalf of West Lafayette City Court weekly, net Capital's fee. Capital agrees to notify Client daily of any monies collected and to what case or claim they have applied those collections. Client shall treat Capital as one of its regular monthly disbursements (i.e. BMV) for payment of fees earned.

5. STATUS REPORT

At the request of the Client, Capital shall submit status reports on each claim. The status report shall describe the current status on each claim, the date the claim was placed, the amount of moneys collected to date and the claim, case or account number assigned by the Client.

6. OTHER TERMS AND CONDITIONS

A. COUNTERPARTS

This agreement may be executed in one or more counterparts, each of which shall be an original and all of which constitute one and the same instrument.

B. SEVERABILITY OF TERMS AND CONDITIONS

Any term or condition judged to be invalid in this agreement shall not invalidate the other terms and conditions.

C. EQUAL OPPORTUNITY

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that all applicants are employed, and employees are treated during employment without regard to race, color religion sex or national origin. Such action shall include, but not limited to, the following: employment upgrading, demotion, or termination, rates of pay or other forms of compensation and selection for training. Capital agrees to post in a conspicuous place, available to all employees and applicants for employment, notices summarizing the provisions of the Equal Opportunity Clause.

2. Capital will, in all solicitations or advertisements for employees placed by or on behalf of Capital, state that Capital is an equal opportunity employer.

3. Capital shall permit access to any relevant and pertinent records or reports and documents for the sole purpose of verifying compliance with this section, and with Client.

4. Capital will not obstruct or hinder any EEO officer in the fulfillment of the duties and responsibilities imposed by Article 1 Title 39.

5. Capital will include a summary of this Equal Opportunity Clause in every subcontract. Capital will take such action with respect to every subcontractor as is necessary as a means of enforcing the provisions of the Equal Opportunity Clause.

D. GENDER REFERENCES

For the purposes of contract interpretation, in every place where a reference to gender is appears, the masculine shall be interchangeable with the feminine and the feminine with the masculine.

E. INTEGRATION

This agreement is fully integrated, and as such, constitutes the entire understanding of the parties. Both parties agree that there is no other understanding or agreement than the terms expressly stated or through the documents incorporated by reference herein. This agreement may only be modified by another writing signed by both parties.

F. JURISDICTION AND CHOICE OF LAW

This agreement shall be administered in the Client's locality, shall be interpreted under the laws of Indiana, and both parties consent to complete jurisdiction in the Client's County. This agreement and any claims arising in any way out of this contract shall be governed by

the Laws of the State of Indiana. Any litigation arising out of or relating in any way to this agreement or the performance hereunder shall be brought in the courts of Indiana, and both parties hereby irrevocably consent to such jurisdiction.

G. TERMINATION

The Client reserves the right to terminate this agreement at any time, in his/her sole discretion, and without cause or duty of explanation. Capital may terminate this duties and obligations under this agreement upon thirty (30) days written notice to the Client. Termination on part of Capital shall not be effective if the Client finds that such termination prejudices the Client.

H. RENEWAL CLAUSE

Renewal: Unless another contract is signed by the parties hereto replacing this agreement or unless written notice of termination is given by one party to the other as stated in 6G, the parties hereto agree that this contract shall be automatically renewed automatically each year on the anniversary date of this contract..

I. MEDIA STATEMENTS

The parties agree that neither Capital; nor any partner, associates, employee, or any other person assisting with the work contemplated with this agreement, shall speak to any representative of a television station, radio station, newspaper, magazine or any other media outlet concerning the work outlined in this agreement without first obtaining approval of the Client. This agreement specifically excludes any right or ability on part of Capital to speak on behalf of the Client to any member of the news media.

IN WITNESS WHEREOF, the undersigned represent they are authorized to enter into this agreement numbering five (5) pages. The undersigned acknowledge they have read and understand all terms set forth herein. By affixing their signatures below, the party's evidence their intent to be bound hereto.

West Lafayette City Court

Capital Recovery Systems, Inc

Signature

Signature

Title

Title

___/___/___
Date

___/___/___
Date