

DYNAMIC COLLECTORS, INC. SERVICE CONTRACT

THIS CONTRACT, made and entered into this 1st day of October, 2012, by the Walla Walla County Sheriff's Office (also called Walla Walla County), hereafter called "WWCSO" or "the County" and Dynamic Collectors, Inc. shall provide collection service in collecting unpaid penalties, infractions, fines, costs, assessments, judgments and forfeitures, hereafter called "ACCOUNTS." It is understood that Dynamic Collectors, Inc. will be principally liable for compliance with this contract and insuring compliance with this contract and insuring compliance of its affiliates, if any.

WHEREAS, the WWCSO holds unpaid accounts which it desires to have collected and,
WHEREAS, statutory authority exists under RCW 19.16.500 for the assignment of said unpaid accounts to a licensed collection agency for collection, and,
WHEREAS, Dynamic Collectors, Inc. is duly licensed and bonded to collect said accounts assigned for collection by the WWCSO,
It is therefore agreed as follows:

I

ASSIGNMENT OF ACCOUNTS

Dynamic Collectors, Inc. agrees to accept for direct collection and the WWCSO agrees to assign various accounts that the WWCSO determines appropriate for collection, upon the terms and conditions set forth herein. Dynamic Collectors, Inc. shall exercise its best, prudent and lawful efforts to secure collections of all accounts referred. All accounts shall be assigned to Dynamic Collectors, Inc.

II

WORK TO BE PERFORMED

Dynamic Collectors, Inc. shall do all work and furnish all equipment, labor and materials necessary to collect unpaid accounts assigned to Dynamic Collectors, Inc. by the WWCSO. The accounts assigned will be chosen at the sole discretion of the WWCSO.

Dynamic Collectors, Inc. will provide a thirty-day notice for the WWCSO prior to assigning the accounts for collections. This final notice will be designed to meet the approval of the WWCSO and will reflect that payment is to be made to the WWCSO.

Additional legal action by Dynamic Collectors, Inc. will be taken only after reasonable collection efforts have been made.

III

REPORTS AND REMITTANCE SCHEDULE

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

Dynamic Collectors, Inc. will furnish the WWCSO with a computerized acknowledgment of assigned accounts within a reasonable period of time following receipt of the same. The acknowledgment shall include an "ALPHA" listing by name of debtor, assigned case number, amount assigned, total number of accounts and total dollar amounts assigned for collection.

Dynamic Collectors, Inc. will furnish the WWCSO with a monthly report indicating all accounts currently assigned to Dynamic Collectors, Inc. The report shall be an ALPHA list by debtor name, assigned case number, dollar amount assigned, payments made to date, and current status of each individual account. Such report will also provide a summary of all assigned accounts by account status and the overall recovery percentage of dollars collected on behalf of the WWCSO.

IV

TRUST FUND ACCOUNT

Dynamic Collectors, Inc. shall deposit all sums received in payment of assigned accounts in a trust account maintained at Security State Bank. All such funds shall be held in trust as the sole and exclusive property of the WWCSO and shall not be used or available for any use by Dynamic Collectors, Inc. for any purpose whatsoever; or in any way co-mingled with the assets of Dynamic Collectors, Inc. Such funds will continue to be the funds of the WWCSO until remitted or otherwise transferred. The WWCSO authorizes Dynamic Collectors, Inc. to endorse cashier's checks and money orders made payable to the WWCSO for the purpose of deposit into said trust account.

V

AGENCY COMPENSATION

Collection charges shall be added by Dynamic Collectors, Inc. onto accounts assigned. Dynamic Collectors, Inc. will apply all funds collected first to the assigned account before paying any collection costs, interest or any fees that may be incurred, with the exception of filing fees, answer fees and certified mailing costs. Dynamic Collectors, Inc. will leave a \$5.00 balance on the account portion owed until all collection charges, interest charges and legal fees have been paid in full. Dynamic Collectors, Inc. shall retain payment for services performed as set out hereafter:

The collection costs will be based on the assigned amount. If the balance is \$100.00 or less Dynamic Collectors, Inc. will assign a collection cost of the full amount. Accounts over \$100.00 will be assessed a

collection cost of 50%. Accounts over \$100,000.00 will be assessed a collection cost of 35% (RCW 19.16.500).

Partial payments will be split between the WWCSO and Dynamic Collectors, Inc. as follows: 60% of payment goes to the WWCSO, Dynamic Collectors, Inc. retains 40% percent.

VI

COMPROMISES AND COLLECTION COSTS

Dynamic Collectors, Inc. will not engage in compromise settlement arrangements without the permission from the WWCSO on any account turned over (with the exception of interest adjustments as described in Section V). The WWCSO shall have no responsibility for uncollected costs advanced by Dynamic Collectors, Inc.

VII

COMPLIANCE WITH LAWS

Collection activities by Dynamic Collectors, Inc. shall be in strict compliance with all state and federal laws existing at the time of 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 Department of Postal Services and the Federal Trade Commission. Dynamic Collectors, Inc. is a member of the Washington Collectors Association and American Collectors Association and subscribes to its code of ethics.

VIII

HOLD HARMLESS CLAUSE

Dynamic Collectors, Inc. agrees to indemnify and hold the WWCSO harmless from and against any and all claims, demands, liabilities, judgments, losses and expenses, including but not limited to court costs and reasonable attorney fees occasioned by, arising out of, related to, or in connection with any negligent or willful action or omission of Dynamic Collectors, Inc. or its employees and agents in the performance of this agreement provided Dynamic Collectors, Inc. shall have the right and duty to defend the WWCSO from and against any and all claims, demands, liabilities, judgments, loss and expenses and the WWCSO shall fully cooperate in such defense.

IX
LEGAL ACTION

Dynamic Collectors, Inc. will make all reasonable efforts to collect the WWCSO's accounts without litigation. No form of legal action will be initiated on the part of Dynamic Collectors, Inc. without the written authority of the WWCSO.

X
CANCELLATION OF ACCOUNTS

Any accounts referred to Dynamic Collectors, Inc. may be withdrawn by the WWCSO at any time. Notification of withdrawal may be verbal, but shall be verified in writing prior to the next report date. In the event an account is withdrawn by the WWCSO, no fee will be due agency for collection efforts on said account.

XI
UNCOLLECTIBLE ACCOUNTS

In the event an account is deemed uncollectible, it shall be returned to the WWCSO together with an explanation of why it is uncollectible.

XII
ASSIGNMENT

Neither the WWCSO nor Dynamic Collectors, Inc. may assign this contract nor any interest, right or responsibility arising from this contract without the written consent of the other party.

XIII
TERMINATION

Either party may terminate this agreement on sixty (60) days written notice to the other party or otherwise as the parties may mutually agree. If at any time a party materially defaults on its obligations under this agreement the injured party may, at its option, send notice thereof to the party in default. If such default is not remedied within 15 days of the delivery of such notice, the party sending the notice may thereafter terminate this agreement. If the collection agency should become the subject of bankruptcy, receivership or insolvency proceedings, the WWCSO may elect to terminate the contract. Such election shall be effective immediately upon mailing written notice of termination to the collection agency. On termination of the contract, the collection agency shall, on request, furnish the WWCSO with any information obtained with reference, to the assigned accounts and/or debtors obligated thereon.

XIV

NONDISCRIMINATION

Dynamic Collectors, Inc. hereby agrees that it will not discriminate on the basis of race, sex, age, religion, national origin or physical disability in regard to collection efforts.

XV

INSURANCE AND SURETY REQUIREMENTS

Dynamic Collectors, Inc. shall, upon request of the WWCSO, provide evidence of insurance of personal injury liability, comprehensive general liability, workers compensation and automobile liability insurance; and a fidelity bond in the sum of \$100,000.00.

Dynamic Collectors, Inc., shall furnish and maintain all insurance as required herein and comply with all limits, terms and conditions stipulated therein, at their expense, for the duration of the contact.

Dynamic Collectors, Inc., shall have Commercial General Liability with limits of \$1,000,000.00 per occurrence, which includes general aggregate, products, completed operation, personal injury, fire damage and medical expense. Evidence of such insurance shall consist of a completed copy of the certificate of insurance, signed by the insurance agent for Dynamic Collectors, Inc., and returned to the County of Walla Walla. The policy shall be endorsed and the certificate shall reflect that the County of Walla Walla as an additional name insured on the Commercial General Liability policy with respect to activities under the contract.

XVI

INDEPENDENT CONTRACTOR

Dynamic Collectors, Inc., is and shall be at all times during the term of this Agreement an independent contractor. Dynamic Collectors, Inc.'s services shall be furnished 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 Agreement by Dynamic Collectors, Inc. as an independent contractor. The County shall be neither liable nor obligated to pay Dynamic Collector, Inc.'s employees' sick leave, vacation pay, insurance, retirement or any other benefit of employment nor to pay any social security or other tax which may arise as an incident of employment. Dynamic Collector's, Inc. shall pay all income and other taxes as due.

XVII
CONFIDENTIALITY

Dynamic Collectors, Inc. its employees, subcontractors, and their employees shall maintain the confidentiality of all information (except as required in the ordinary course of collecting accounts referred by the county) provided by the County or acquired by the Dynamic Collectors, Inc. in performance of this Agreement, except upon the prior written consent of Walla Walla County Prosecuting Attorney, or an order entered by a court after having acquired jurisdiction over the County.

Dynamic Collectors, Inc. shall immediately give to the County notice of any judicial proceeding seeking disclosure of such information. Dynamic Collectors, Inc. shall indemnify and hold harmless the County, its officials, agents or employees from all loss or expense, including, but not limited to settlements, judgments, setoffs, attorneys' fees and costs resulting from Dynamic Collectors, Inc.'s breach of this provision.

XVIII
INDUSTRIAL INSURANCE WAIVER

With respect to the performance of this agreement and as to claims against the County, its officers, agents and employees, Dynamic Collectors, Inc. expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this agreement extend to any claim brought by or on behalf of any employee of the Dynamic Collectors, Inc. This waiver is mutually negotiated by the parties to this agreement.

XIX
TIME OF COMMENCEMENT AND DURATION OF CONTRACT

The work to be performed under this contract shall commence on the 1st day of October, 2012. This contract shall continue in effect until the 31st day of December, 2014, unless termination as per paragraph XII above prior to that date.

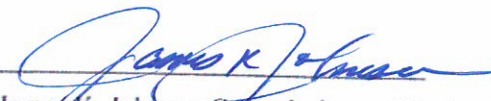
IN WITNESS WHEREOF, the parties hereto have executed this Modification of Intergovernmental

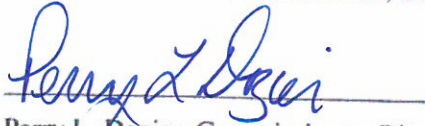
Agreement this 1st day of October, 2012.

COUNTY OF WALLA WALLA

(absent)

Gregory A. Tompkins Chairman, District 3


James K. Johnson Commissioner, District 1


Perry L. Dozier, Commissioner, District 2

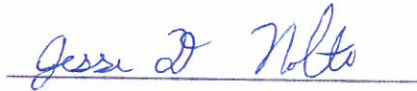
Attest:



Connie R. Vinti

Clerk, Board of County Commissioners

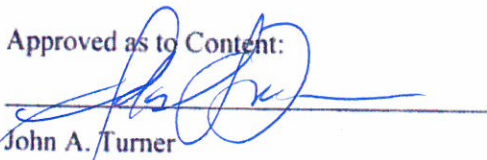
Approved as to form:



Jesse Nolte

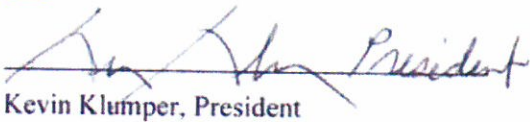
Deputy Prosecuting Attorney

Approved as to Content:



John A. Turner

Walla Walla County Sheriff


Kevin Klumper, President

Dynamic Collectors, Inc.