

## **Commercial Collection Bureau, Inc. Service Agreement Terms and Conditions**

The person submitting claims represents that he or she is duly authorized to submit claims for collections on behalf of creditor and is authorized to bind creditor to this agreement. The business creditor is hereinafter referred to as Client. Client's submission of collection accounts is agreement to abide by all terms and conditions contained in this document.

**Terms of Service:** Upon receipt of account(s) placed with Commercial Collection Bureau, Inc., hereinafter referred to as CCB, CCB will proceed with the collection process and work the account(s) until resolution. Upon collection or resolution of any portion of the account, Client agrees to pay CCB a fee for services rendered based on a percentage of the amount recovered, credited, or adjusted after the account is placed for collections.

The fee charged on judgment claims is 45%. The fee charged on disputed claims, claims involving bad checks or credit card chargebacks, claims requiring legal expertise due to bankruptcy or an assignment for the benefit of the creditors, or 2<sup>nd</sup> placement claims that have previously been placed with attorneys or other collection agencies is 40% ("Special Claims"). Claims that are not Special Claims or judgment claims are standard claims ("Standard Claims"). For Standard Claims, the fee charged is determined at the onset of the collection process based on the following schedule unless otherwise agreed to in writing by both CCB and Client.

<b>Age of Oldest Invoice When Placed</b>	<b>Fee Charged on Principal Balance Owed</b>
0 - 100 days from Invoice Date	10%
101- 300 days from Invoice Date	20%
301+ days from Invoice Date	30%
Minimum Fee Charged	\$100 upon successful recovery

For Standard Claims, the fee charged on the principal balance will be determined by calculating the number of days between the oldest invoice date and the date the account is placed for collection and the fee will not change based on time required to complete the collection process. Client agrees to pay CCB the fee for all payments, returns, offsets, adjustments, and/or credits applied to the account after the account has been placed with CCB. Client agrees to pay CCB a 50% fee on any portion of the balance recovered above the principal balance owed.

A monthly invoice will be sent to Client for monies owed to CCB. Terms of invoice are net due upon receipt. Client agrees to pay CCB interest at the rate of 1.5% per month (18% per annum) on all past due balances owed to CCB. In the event Client fails to pay an invoice in accordance with this agreement and collection is made by suit or otherwise, Client agrees to pay all collection costs, including collection agency and reasonable attorney's fees with or without suit.

As Client's agent, CCB is authorized to accept all methods of payment on Client's behalf. CCB is authorized to endorse checks, notes, or money orders. Payments received by CCB will be deposited into CCB's Trust Account, proceeds of which CCB will remit monthly once funds have cleared via check to Client. All payments received by Client directly or any adjustment made to the collection account must be reported to CCB immediately.

Client authorizes CCB to complete all necessary forms to effect collection on Client's behalf for accounts placed in collections. Such forms may include bankruptcy proof of claim forms, bond forms, etc.

Client attests that all claims placed for collection with CCB are valid, justly due, and accepted according to CCB's fee schedule. Client agrees to pay the fee for a claim placed and subsequently withdrawn by Client. Client agrees to furnish all reasonable evidence required to aid in effecting collection and proving the validity of the debt placed.

Client and CCB also agree to the following terms and conditions:

1. CCB shall conduct business in accordance with all applicable laws, rules and regulations that govern commercial debt collection.
2. Client's consent is required for CCB to settle any account for less than the principal amount due.
3. Client agrees not to assign any collection files assigned with CCB to other agencies, attorneys or any other third parties while currently active and open with CCB. Client further agrees that if any account is withdrawn from CCB prior to CCB completing the collection process, compensation of the full fee will be paid to CCB.
4. Client agrees to pay the fee on all payments, adjustments, offsets, credits, and or returns applied to an account after the account is placed with CCB.
5. Client agrees to immediately report to CCB any payments received or adjustments made on the account after the account has been placed for collections. Client agrees to pay CCB an additional fee of 25% on any payment or adjustment not reported to CCB within ten (10) days.
6. CCB will not incur expenses or costs without the expressed written consent of Client.
7. Upon placement of the claim, Client will have no contact with the debtor throughout the collection process. If the debtor contacts Client, Client will refer the debtor to CCB and immediately notify CCB of the communication. If Client becomes involved without CCB's authorization or Client circumvents the collection process, Client agrees to pay the fee due on the account.
8. If notice that the debtor has filed bankruptcy or an assignment for benefit of the creditors is received by Client, Client will notify CCB immediately. If such notice is received, collection activity will cease; however, CCB will file the appropriate forms on behalf of Client if CCB believes a reasonable distribution may be paid.
9. Client agrees to pay the Special Claims fee on a claim if there is an undisclosed dispute on the account or if the claim requires legal expertise post-placement because of a dispute, bankruptcy filing or an assignment for the benefit of creditors.
10. CCB is authorized to make payment arrangements with the debtor.
11. Client agrees to indemnify and hold CCB, its affiliated entities, successors, employees and assigns harmless against all liability, damage, loss, cost and expense, including attorney's fees and court costs occasioned by claims or suit for loss or damages arising out of the acts or omissions of the Client, and/or its agents, servants or employees of Client on accounts placed for collections. Client agrees to defend, at its sole cost or expense, any suit or claims asserted by any person, persons or business entity and will pay all damages or settlements resulting from the Client's own acts and/or omissions of those of its officers, agents and/or employees on claims placed for collections.
12. CCB and Client hereto expressly acknowledge and agree that the Client's indemnity obligations herein expressed shall only be effective on claims placed for collections with CCB.
13. Accounts placed with CCB will remain active with CCB until the collection process has completed.
14. If Client breaches any portion of this agreement, Client agrees to pay CCB the fee on any file placed with CCB impacted by Client's breach.
15. This agreement represents the entire agreement between CCB and Client on the matters covered herein, and supersedes any prior or contemporaneous agreement, whether written or oral. This agreement may only be amended by a written document, signed by the parties. If any court of competent jurisdiction finds any portion of the agreement to be void or unenforceable, the balance of the agreement shall remain in force and effect so long as the general intent of the parties continues to be met.
16. This agreement shall be governed by the laws of the state of Minnesota. At CCB's option, venue of any action to enforce this agreement shall be either in Dakota County, Minnesota, or the county where Client's business is located.