

**APPLICATION FOR DEBT COLLECTION SERVICES OF
CREDIT BUREAU OF SAN JOAQUIN COUNTY**

The undersigned (hereinafter referred to as "Applicant") petitions the Credit Bureau of Stockton, doing business as Credit Bureau of San Joaquin County (hereinafter referred to as "Credit Bureau") for use of its debt collection services and if accepted by credit bureau, Applicant agrees to assign claims by use of the form Credit Bureau may from time to time provide to Applicant, and be bound by the terms and conditions therein provided and as modified from time to time by Credit Bureau. Unless the terms as provided in this assignment form provided by Credit Bureau as modified from time to time is inconsistent herewith, it is further agreed as follows:

1. Applicant grants to Credit Bureau the exclusive right to collect assigned claims with full authority to perform all acts deemed necessary in the sole discretion of Credit Bureau to collect the assigned claims.

2. Credit Bureau shall pursue collection of assigned claims and, when possible shall commence such efforts by mailing to each of the assigned claims a collection notice and demand for payment. As to those claims with a valid current address, Applicant may at the time of assignment elect the Credit Bureau's ten (10) day letter service whereby this initial letter will recite that payment or arrangements for payment may be made directly with or to the Applicant. Should Applicant elect the Credit Bureau's ten (10) day letter service, then no commissions will be charged on any payments made within ten (10) days of posting of the initial letter, the assigned claim may be withdrawn by Applicant without charge. There is reserved to Applicant the right to alter this election in writing as to any future assigned claim. The ten day letter service is without charge to members and Associates, and non members shall pay a charge per assigned claim as here provided.

Please indicate your election as to Credit Bureau's ten day letter service:

LETTER SERVICE IS ELECTED

After posting the initial letter, Credit Bureau shall withhold further collection efforts for ten (10) days pending response of debtor.

Member Number:

✓ LETTER SERVICE IS NOT ELECTED

3. Except as herein otherwise provided, Credit Bureau shall be entitled to commissions on each claim assigned, including those withdrawn from assignment. Commission rates shall be determined based on the amount collected, manner of collection, nature of the claim and, as to commercial claims, the amount of the claim. For the purpose of this agreement, "consumer claim" means a claim incurred by an individual primarily for a personal, family or household purpose; and "commercial claim" means all other claims. Commissions on commercial claims are as provided by the rate schedule attached hereto, if applicable.

	<u>Consumer Claims</u>
On amounts collected	30%
Legal/Forwarded claims	40%

4. Credit Bureau is authorized to deduct its commissions and court costs advanced from any money due to Applicant from collections received by Credit Bureau. Court costs advanced by Credit Bureau shall be reimbursed from the first monies collected on each such assigned claim.

5. For the purpose of this agreement "court costs" shall include all court filing fees and charges; service of process fees and charges; and such other costs as set forth at California Code of Civil Procedure 10333.5 or as may hereafter be redesignated by the State of California.

6. Credit Bureau may retain for its own benefit and as additional consideration any interest collected or accrued from deposits.

7. Credit Bureau is authorized to endorse and deposit any negotiable instruments Credit Bureau may receive made payable to Applicant as payment on assigned claims; and to commingle in a common account with others funds collected on assigned claims.

8. Credit Bureau shall have no obligation to defend or to provide legal counsel for Applicant in any legal proceedings, including a cross-complaint commenced by a debtor against Applicant. Commencement of legal proceedings by Credit Bureau for the purpose of collecting on assigned claims shall not be construed as an assumption of such obligation.

9. Credit Bureau is authorized to commence legal proceedings on and compromise any claim assigned without further notice or consent. Providing such notice or seeking such consent shall not be construed as a waiver of this authority.

10. Credit Bureau shall have no obligation to commence legal proceedings for the purpose of collecting on assigned claims; shall not be liable for assigned claims being barred by the statutes of limitations or judgments expiring without renewal; and may, in its sole discretion, except as limited by applicable law or regulation, determine the time and manner of collection of assigned claims, including proceeding to suit and enforcement of any judgment.

11. Except as herein otherwise provided, payments made to Applicant directly on an assigned claim, including those withdrawn from assignment, shall be subject to reimbursement of costs and the commission rates.

12. Except as herein otherwise provided, assigned claims may be withdrawn upon thirty (30) days written notice to Credit Bureau provided, however, that withdrawn claims shall be subject to commissions and costs advanced or incurred. Commissions shall be paid forthwith on any monies thereafter collected by either party; and Applicant shall within sixty (60) days of withdrawal of an assigned claim pay to Credit Bureau all costs it may have advanced or otherwise incurred as to such withdrawn claim. "Costs" for the purpose of this paragraph, shall include not only court costs, but any other costs identifiable to the withdrawn claim, including attorneys fees, notices to debtors of reassignment of withdrawn claim, and a pro rata share of all general overhead operating expenses reasonably attributable to the collection of assigned claims.

13. Applicant shall provide to Credit Bureau all necessary information for evaluation and collection of the assigned claims and cooperate with Credit Bureau in said endeavors. At the time of assignment and promptly thereafter, Applicant shall inform Credit Bureau of payments received; set offs, counter claims and other defenses known by Applicant; and pleadings received pertaining to said assigned claims.

14. Credit Bureau may, in its sole discretion, forward assigned claims to other agencies for collection when Credit Bureau determines that the debtor resides or has assets outside the area normally serviced by the Credit Bureau.

15. Assigned claims shall be deemed accepted on receipt of notice thereof, provided, however, that Credit Bureau may, in its sole discretion, elect at any time not to pursue collection of an assigned claim and return the claim to Applicant. Amounts collected by Applicant after return of a claim shall not be subject to commissions, but court costs advanced by Credit Bureau shall be forthwith reimbursed to Credit Bureau by Applicant out of first monies thereafter collected by Applicant.

16. Applicant shall indemnify and hold harmless Credit Bureau, its employees, agents, officers, directors and attorneys from liability, including the cost of defense arising by reason of any acts or omissions by Applicant pertaining to the assigned claims.

17. Credit Bureau may have accepted and may hereafter accept assignments for collection from members and customers, including claims against applicant, the collection of which by Credit Bureau may adversely affect applicant or the collection of the herein assigned claims. Applicant consents thereto and authorizes Credit Bureau to pursue collection of said claims in such manner as it may in its sole discretion deem appropriate provided, however, that Credit Bureau shall not set off or otherwise apply against any assigned claim any monies held by Credit Bureau for applicant or for another member or customer, or held by a levying officer for Credit Bureau.

18. This agreement may be terminated by either party upon giving the other party thirty (30) days written notice provided, however, that terms and conditions of this agreement shall continue in full force and effect as to claims assigned prior to such termination.

Applicant: CITY OF STOCKTON

By: [Signature]

Title: Finance Officer

Address: 425 N. El Dorado St.

Phone: 937-8139

Date: 1-06-00

Accepted: CREDIT BUREAU OF SAN JOAQUIN COUNTY
P. O. Box 209/217 N. San Joaquin St.
Stockton, Ca. 95201/209/944-9001

By: [Signature]

Date: 12-30-1999