

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

SERVICE CONTRACT

This is a CONTRACT made by **City of Durham** (hereafter "City") and **Professional Recovery Consultants, Inc.** (hereafter "Contractor") whose principal office and place of business is 2700 Meridian Parkway, Suite 200, Durham, North Carolina 27713. The date of this Contract is May 17, 2011. The purpose of this Contract is to have the Contractor perform the services described in this Contract for the following:

Collection Agency Services

This is a service contract to provide the above service required by City from **July 1, 2011** to **June 30, 2014** ("Initial Period), unless that period is changed as provided in this contract. The fee to be paid by City under this contract is 19% of collected receivables.

The City and the Contractor agree as follows:

SECTION 1. Attachments. The documents which are attached to this contract are a part of this Contract. These documents are the **Request for Proposal, Addendum no. 1, pricing schedule**, and EEO Provisions. In case of conflict, this "Service Contract" form shall control those documents.

SECTION 2. Scope. The Contractor shall comply with the provisions of this Contract and shall do all of the work and furnish all of the materials and labor necessary to perform its obligations under this Contract.

SECTION 3. Indemnification. (a) To the maximum extent allowed by law, Contractor shall defend, indemnify and save harmless Indemnitees from and against all Charges that arise in any manner from, in connection with, or out of this contract as a result of acts or omissions of Contractor or Subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. In performing its duties under this subsection "a", Contractor shall at its sole expense defend Indemnitees with legal counsel reasonably acceptable to City.

(b) Definitions. As used in subsections "a" above and "c" and "d" below -- "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, obligations, fines, penalties, royalties, settlements, and expenses (included without limitation within "Charges" are (1) interest and reasonable attorneys' fees assessed as part of any such item, and (2) amounts for alleged violations of sedimentation pollution or other environmental or pollution laws and regulations -- including but not limited to any such alleged violation that arises out of the handling, transportation, deposit, or delivery of the items or materials that are the subject of this contract).

"City" means the City of Durham.

"Contractor" means all parties to this contract other than City.

"Indemnitees" means City and its officers, officials independent contractors, agents, and employees, but excludes Contractor.

(c) Limitations of Contractor's Obligation. If this is in, or is in connection with, a contract relative to the design, planning, construction, alteration, repair or maintenance of a building, structure, highway, road, appurtenance or appliance, including moving, demolition and excavating connected therewith, then subsection "a" above shall not require the Contractor to indemnify or hold harmless Indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of Indemnitees.

(d) Nothing in subsections "a", "b" or "c" above shall affect any warranties in favor of the City that are otherwise provided in this contract. This section (a, b, c, and d) is in addition to and shall be construed separately from any other indemnification provisions that may be in this contract.

SECTION 4. TERMINATION FOR CONVENIENCE. The performance of work under the contract may be terminated by the City of Durham in whole or in part whenever the City determines that termination is in the City's best interest. Any such termination shall be effected by the delivery to the contractor of at least seventy-five (75) days before the date of termination, specifying the extent to which performance of the work under the contract is terminated and the date upon which such termination becomes effective.

After receipt of a notice of termination, except as otherwise directed, the contractor shall stop work on the date of receipt of notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services, or facilities except as necessary for completion of such portion of the work not terminated; terminate all vendors and subcontractors; remove all supplies and equipment; and settle all outstanding liabilities and claims.

SECTION 5. Notice. (a) All notices and other communications required or permitted by this contract shall be in writing and shall be given either by personal delivery, fax, or certified United States mail, return receipt requested, addressed as follows:

To the City:

City of Durham
Purchasing Division
101 City Hall Plaza
Durham, NC 27701

The fax number is (919) 560-4325

To the Contractor:

Professional Recovery Consultants, Inc.
2700 Meridian Parkway, Suite 200
Durham, North Carolina 27713

The fax number is (919) 489-7651

(b) Change of Address. Date Notice Deemed Given. A change of address, fax number, or person to receive notice may be made by either party by notice given to the other party. Any notice or other communication under this contract shall be deemed given at the time of actual delivery, if it is personally delivered or sent by fax. If the notice or other communication is sent by United States mail, it shall be deemed given upon the third calendar day following the day on which such notice or other communication is deposited with the United States Postal Service or upon actual delivery, whichever first occurs.

SECTION 6. Payment. The City shall make payment in the amount required by this contract upon all other parties' satisfactory completion of performance of this contract.

SECTION 7. Choice of Law; Forum. This Contract shall be deemed made in Durham County, North Carolina, and shall be governed by and construed in accordance with the law of North Carolina. The exclusive forum and venue for all actions arising out of this Contract shall be the North Carolina General Court of Justice, in Durham County. Such actions shall neither be commenced in nor removed to federal court. This section shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this section.

SECTION 8. Assignment. Successors and Assigns. Without the City's written consent, the Contractor shall not assign (which includes to delegate) any of its rights (including the right to payment) or duties that arise out of this contract. The City Manager may consent to an assignment without action by the City Council. Unless the City otherwise agrees in writing, the Contractor and all assignees shall be subject to all of the City's defenses and shall be liable for all of the Contractor's duties that arise out of this contract and all of the City's claims that arise out of this contract. Without granting the Contractor the right to assign, it is agreed that the duties of the Contractor that arise out of this contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

SECTION 9 Compliance with Law. In performing all of the Work, the Contractor shall comply with all applicable law.

ATTEST:

CITY OF DURHAM

City Clerk

By _____
City Manager

IF CONTRACTOR IS A CORPORATION

ATTEST:

Secretary

[Type or print the name of the Corporation]

(Affix corporate seal)

By _____
President

IF CONTRACTOR IS NOT A CORPORATION

(See Attached Acknowledgments)

[Type or print the name of the Contractor]
By _____
Signature

PREAUDIT CERTIFICATE

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

This the _____ day of _____, 20_____.

Finance Officer

NORTH CAROLINA

ACKNOWLEDGMENT BY CITY OF DURHAM

DURHAM COUNTY

I, _____, a notary public in and for said county and state, certify that _____ personally appeared before me this day and acknowledged that she is _____ City Clerk of the City of Durham, a municipal corporation, and that by authority duly given and as the act of the City, the foregoing contract was signed in its corporate name by its _____ City Manager, sealed with its corporate seal, and attested by herself as its said City Clerk or Deputy City Clerk.

This the _____ day of _____, 20_____

My commission expires:

Notary Public

STATE OF _____

**INDIVIDUAL ACKNOWLEDGMENT
with "trading as" section
(NON-CORPORATIONS)
(NON-PARTNERSHIPS)**

COUNTY OF _____

I, _____, a notary public in and for said county and state, certify that _____, trading as _____, personally appeared before me this day and acknowledged the execution of the foregoing contract with the City of Durham.

This the _____ day of _____, 20_____

My commission expires:

Notary Public

STATE OF _____
COUNTY OF _____

**INDIVIDUAL ACKNOWLEDGMENT
(NON-CORPORATIONS)
(NON-PARTNERSHIPS)**

I, _____, a notary public in and for said county and state, certify that _____ personally appeared before me this day and acknowledged the execution of the foregoing contract with the City of Durham.

This the _____ day of _____, 20____

My commission expires:

Notary Public

STATE OF _____
COUNTY OF _____

PARTNERSHIP ACKNOWLEDGMENT

I, _____, a notary public in and for said county and state, certify that _____, personally appeared before me this day, stated that he or she is a general partner in

a partnership and acknowledged the execution of the foregoing contract with the City of Durham on behalf of said partnership.

This the _____ day of _____, 20____

My commission expires:

Notary Public

STATE OF _____ CORPORATION ACKNOWLEDGMENT

COUNTY OF _____

I, _____, a notary public in and for said county and state, certify that _____ personally appeared before me this day and acknowledged that he or she is _____ Secretary of _____, a corporation, and that by authority duly given and as the act of the corporation, the foregoing contract with the City of Durham was signed in its name by its _____ President, whose name is _____, sealed with its corporate seal, and attested by him/herself as its said Secretary or Assistant Secretary.

This the _____ day of _____, 20_____

My commission expires:

Notary Public